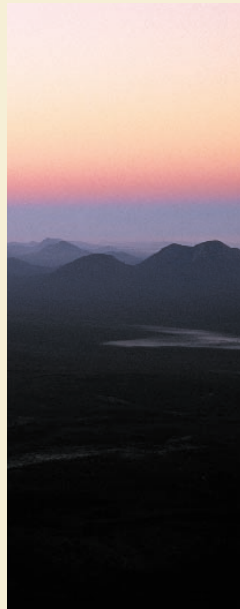


2010/11 ANNUAL REPORT



SHIRE OF PLANTAGENET





Annual Report

For the Year Ended 30 June 2011

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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 ²
• Number of elected members	9
• Number of dwellings	2,265
• Number of rate assessments	3,353
• Length of sealed roads	332 km
• Length of unsealed roads	908 km
• Number of electors	3,360
• Number of bushfire brigades	12



It is with great pleasure that I present to you the 2010/2011 Annual Report for the Shire of Plantagenet. This report provides an overview of the Shire's performance during the year and demonstrates the Council's proactive approach to delivering services and infrastructure for our community.

Infrastructure

A number of key items of infrastructure have been put in place, including:

- New fire truck for the Narpyn Bush Fire Brigade and construction of sheds for the Forest Hill and South Porongurup Fire Brigades.
- Completion and opening of the extension to the Mount Barker cemetery.
- Wilson/Centenary Park improvements (toilets and playground).
- Completion and opening of Mount Barker and Kendenup skate parks.
- Continuation of the transformation of the library building into a Community Resource Centre, with the library moving to its new location within the building.
- Progression of Frost / Sounness Parks improvement plans.
- \$2.22 million capital roadworks program with the improvement of the Mount Barker - Porongurup Road, Woogenellup Road and Spencer Road being the highlights.



These projects represent the Council's commitment to provide a range of recreation and community services sought by the community. Major initiatives are usually many years in the planning and require considerable sums of money, together with time and effort on the part of councillors and staff.

In fact this year there was no less than four opening events, namely for the new cemetery, completion of Spencer Road and the opening of Mount Barker and Kendenup skate parks. A function was also held to dedicate the naming of the new Shire of Plantagenet Medical Centre as the Dr Christopher Bourke Centre.

In September 2010 I welcomed the (then) Governor of Western Australia, Dr Ken Michael to an afternoon reception at Banksia Farm which was attended by a number of local people, councillors and staff. This resulted in somewhat of a coup for the Shire with the Governor agreeing to officiate at the 'Turning of the Soil' for the Kendenup Skate Park.

In October 2010 I attended the Qantas Mount Barker Wine Show Exhibitors Luncheon where I was very happy to accept the 2010 Ian Tyrer Award on behalf of the Shire. The Shire has supported the Mount Barker Wine Industry over many years with financial support and attending events and promoting the Mount Barker area.

Local Government Reform

In October 2010 the Chief Executive Officer and I met with the Minister for Local Government's Chief of Staff, Gary Brennan to discuss Local Government Reform. Since then, it appears that the Minister has decided not to spend any more energy on attempting to convince rural local governments to engage in reform and has started to focus on the Perth metropolitan area. It remains to be seen what will transpire in this regard and whether the spectre of forced amalgamations raises its head again in the future.

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

Constitutional Recognition of Local Government

During the year, the Australian Local Government Association commenced a strategy to ultimately bring about Federal constitutional recognition of local government. While local government is not recognised in the Australian Constitution there is always some doubt regarding the Commonwealth Government's power to fund local government. This has been discussed among local government circles since the 1970's.

To change the Australian Constitution, a majority of all electors Australia wide and a majority of the States (that is, four out of six), must by referendum, assent to the change. When considered by the Council, there was some concern about the lack of detail and therefore the Council advised the Association that the Council is not in a position to support the proposal at the current time. Further information was sought on the arguments that would be included in a referendum on the proposed objectives and outcomes of this proposal including any changes to the structural relationships between the three spheres of government.

State Government Planning Issues

As Shire President, I am extremely concerned that future long term growth in this Shire is being curtailed. The State Government Department of Planning, in apparent advice provided by it to the Western Australian Planning Commission and ultimately the Minister for Planning has led to numerous initiatives being delayed, deferred or rejected. On 16 June 2011, I met with the Minister for Planning to express the Council's frustration on various matters.

Mount Barker Fruit Inspection and Dehydration Shed

For many years it has been the Shire's position to require the demolition of the old fruit packing shed. The Heritage Council of Western Australia is now proposing to revise the Mount Barker Railway Station Heritage Precinct to include the shed. Should the shed be placed on the State Register of Heritage Places it would be logical for the present owner, the Public Transport Authority, to attempt to transfer ownership to the Council, as owner of the Railway Station. Such a move would have significant asset management implications upon the Council as the shed is in a poor state of repair due to the presence of asbestos and white ant damage and attempts to find a commercial use have been unsuccessful.

The likelihood of the structure being placed on the State's Register of Heritage Places is becoming stronger and it is becoming more difficult and time consuming for the Shire to continue to fight to achieve demolition. If the building is placed on the register and demolition can not occur the Council's stance will be that it is not interested in having the building becoming its responsibility. The removal of the asbestos and refurbishment and ongoing maintenance will remain the responsibility of the PTA. Should a third party wish to liaise with PTA directly to refurbish the building to Shire standards the Shire would not object.

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 2010/2011 year was over \$2.22 million (\$1.31 million grant funds and \$910,000 Council contribution), with the main jobs being the continuation of the Spencer Road Bypass, Mount Barker – Porongurup Road and Woogenellup Road. In addition, the Council spent \$450,000 on Council funded road upgrades with the main jobs being on Moorilup Road, Beattie Road, Woogenellup Road North and Booth Street.

Saleyards

In March 2011, Minister for Agriculture Terry Redman presented the Shire with a cheque for \$2.3 million to pay out the Shire's loans relating to the Saleyards. The Shire has lobbied long and hard to receive a share of the industry funds generated from the sale of the Midland Yards, to recognise our regional responsibilities to the cattle industry. The presentation was made on the occasion of the tenth anniversary of the opening of the saleyards.

Ranger of the Year

During the year the Council was very pleased to hear that Shire Ranger Ray Parry had received the WA Ranger's Association, 2010 Ranger of the Year Award. The Council is aware of the increasingly difficult job faced by compliance staff and we congratulate Ray for this outstanding achievement.

Conclusion

As always, I take this opportunity to publicly thank my fellow councillors and the staff for their ongoing commitment and contributions to the community. Our progress and achievements are largely due to their tireless efforts and commitment to the projects, initiatives and issues we face on a daily basis.

As we move into 2011/2012 I look forward to the new challenges and opportunities ahead for our region.

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

Cr Ken Clements
Shire President

During the 2010/2011 financial year, the industry of local government in Western Australia continued to be heavily influenced by the desire of the State government to bring about Structural Reform to the sector.

The Shire of Plantagenet embraced the concept of Structural Reform and continued to work closely with its northern neighbours being the Shires of Broomehill-Tambellup, Cranbrook and Kojonup, forming the Southern Link Voluntary Regional Organisation of Councils.

Successes have included the finalisation of the funding and planning for a Regional Archive Repository in the former council offices in Broomehill and construction work on several waste facility sites within the region for the more efficient handling of waste.



This regional cooperation enables individual councils to gain the advantages of a bigger council without losing local autonomy. Councillors and senior staff from each of the member councils met regularly during the year to develop further planning and cooperation across the region.

The 2010/2011 financial year also saw the council continue to endeavour to have a local planning strategy adopted that adequately catered for the future growth of the district. The continuing efforts to bring about a sound planning document with the Department of Planning have not borne fruit and will surely continue into the future.

The council also considered proposed amendments to the Local Government Act relating to, among other things, plans to require all councils to have no less than six councillors and no more than nine.

November 2010 saw the official opening of the new portion of the Mount Barker Cemetery. This was the culmination of many years' work. The space has developed into an area of peace and reflection and will suit the needs of the people of Plantagenet for many years to come, including an area set aside for natural earth burials.

The year also saw the completion of the wind turbines just north of Mount Barker. This development has been embraced by residents and is surely an indication of the future and the need for renewable energy.

The budget adopted for the financial year was the first in over a decade to not provide funding for the Visitor Centre in Mount Barker. This decision was a difficult one for the council and created much discussion in the community. The council resolved however to keep the funds that it would otherwise have given to the Visitor Centre for tourism related activities.

The council also resolved during the year to investigate the many halls and other buildings around the district that were under utilised and whether these structures could be either given to the community or even demolished. The council has looked closely at its asset management policies and this new investigation formed part of this initiative.

The council also resolved to preserve a portion of Mount Barker's heritage by agreeing to locate the former railway station crane in the railway reserve adjacent to the railway station.

On the agenda of all local governments in Australia was the call for the recognition of local government in the Federal Constitution. Although compelling arguments were put to councils by the Australian Local Government Association and the Western Australian Local Government Association the council considered insufficient information was available for such an important discussion. Of particular concern to the council was how constitutional recognition may affect the relationship between the three spheres of government in Australia.

Upon reflection of the year it is apparent that the council continued to apply good government within the district and continued to represent the needs of the district at both state and federal levels. The council continued to undertake its day to day and statutory activities while all the while under the seemingly imminent wholesale change to the fabric of local government.

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

Rob Stewart
CHIEF EXECUTIVE OFFICER



Shire President
Cr Ken Clements



Deputy Shire President
Cr Michael Skinner



Cr Brett Bell



Cr Andrus Budrikis



Cr Sue Etherington



Cr Simon Grylls



Cr Len Handasyde



Cr Gert Messmer



Cr Jeff Moir



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

The Townscape Review Steering Committee was reformed during the year in order to guide the process of reviewing townscape improvement plans for the whole Shire.

During the year, the role of the Audit Committee was expanded to include the development and review of the Shire's Long Term Financial Plan and Forward Capital Works Plan with the Long Term Financial Plan Working Group being disbanded.

Administration

Property Transactions

- The Council entered into a five year extension of the lease with M & J Mitchell Pty Ltd over a portion of Lot 3 Albany Highway, Mount Barker (Saleyards) for the purpose of cattle holding yards.
- The Council authorised further negotiations with the Mount Barker Football Club for the purchase of at least 60% of Lot 148 McDonald Avenue Mount Barker (Demon Downs), for an extension and redevelopment of the Sounness Park Recreation Precinct.
- The Council terminated the lease of Plantagenet Location 81 McDonald Avenue (Frost Park) between Elders Forestry and the Shire of Plantagenet.
- The Council approves the advertising of the Business Plan dated December 2010 in respect to the proposal to subdivide Lot 337 Martin Street corner Oatlands Road, Mount Barker.
- The new Shire of Plantagenet Medical Centre, located at 48 Marmion Street, Mount Barker was formally named the 'Dr Christopher Bourke Centre'. On 15 January 2011 a function was held to dedicate the naming of the Centre.
- A licence to use Rail Corridor Land was entered into with WestNet Rail Pty Ltd, for community use (skate park) purposes of the rail corridor site adjacent to Hassell Street, Kendenup.
- The Shire's depot site (Lot 151 Muirs Highway, Mount Barker) was established as a public stock pound, pursuant to Section 449 of the Local Government (Miscellaneous Provisions) Act 1960.
- On Saturday 26 March 2011 the Council auctioned the following properties to recover outstanding rates:
 - Lot 133 (8) First Avenue, Kendenup; and
 - Strata Lot 4 Albany Highway, Mount Barker.

Asset Management

In 2010/2011, all country local governments were required to prepare a Forward Capital Works Plan as a prerequisite to access individual local government allocations from the Royalties for Regions Country Local Government Fund.

The Shire of Plantagenet's adopted plan is also intended to provide the Shire with a sound planning document for funding, community consultation and strategic direction over the next five years. The outcomes of the plan will feed into the long term financial planning process.

The Council's recently adopted long term financial plan was the catalyst for investigations into the rationalisation of Shire buildings. The Council has a number of old halls and other buildings which have little or no use and therefore maintenance expenditure far exceeding income.

The Council authorised an extensive community consultation exercise regarding its plans to examine usage, revenue and expenditure for each building that is available for hire with a view to either demolition, sale, leasing or retention.

As a result of this exercise, the Council adopted a policy that it is of the opinion that community halls within the district should be wherever possible, operated (including ownership or leasing) by an appropriate incorporated community body. If sale or lease cannot be effected for community hall purposes the closure of the hall and subsequent sale and removal of the subject structure will be pursued

Occupational Health and Safety

Workplace safety and health practices were a continued focus throughout the year. The Shire continued to work with the Regional Risk Co-ordinator to ensure ongoing compliance with the Silver Certificate of Occupational Safety and Health (OSH) status.

The focus this year has been the consolidation of the hazard management program and the preparation for the implementation of the 'harmonisation' legislation 1 January 2012. This legislation will essentially bring all states and territories into alignment in regard to OSH matters. Outcomes from the Hazard Management Program were introduced on the premise that knowledge of what is happening within the workplace is an essential part of the safety risk management process. If this data is reliable and quantifiable then incident trends and patterns can be identified and corrective actions implemented before serious injuries occur.

As an employer, the Shire of Plantagenet has a responsibility to maintain a safe working environment under the provisions of Occupational Safety and Health Regulations 1996. Regulation 5.43 specifically requires the presence and location of asbestos at a workplace to be identified and that the process of identification and risk assessment is conducted in accordance with the Code of Practice for the Management and Control of Asbestos in Workplaces.

This legislation has required surveys of Shire of Plantagenet buildings to be conducted by the Council's Principal Building Surveyor and / or Principal Environmental Health Officer over the period 1 September 2010 to 10 April 2011. The surveys included a risk assessment and recommendation for future control measures. Results of surveys were recorded in an Asbestos Register.

The major regional workshop was held at the Shire of Plantagenet on 20 May 2011, in which asbestos management dominated the workshop. Dangerous Goods/Hazardous substances topics were also previewed.

Audits and Compliance

The 2010 Compliance Audit revealed no areas of non-compliance.

Staffing

The 2010/2011 year saw a number of staff changes.

Recreation Officer Michael Gaffney moved from a casual basis to a permanent part time basis. Jordy Pember, Michelle Headley, Jane Forward and Rachelle Willcocks were all appointed as casual Recreation Officers to help out with after school and school holiday programs. Eleanor Scott left the casual position of Recreation Centre Cleaner.

Hazel Rutter left the Shire after 24 years of service in November 2010. In February 2011, Kathryn Dye was appointed in the new position of Manager Library and Information Services after making the move from New Zealand. Tina Edwards-Pope resigned as the casual relief Library Officer at the Rocky Gully Library and was replaced by Tracey Amabilino.

Darryl Elson and Erika Henderson both started as casual General Hands at the Saleyards in November 2010. Darryl and Jodie Elson, casual General Hand/Clerk resigned from their positions in late 2010. Amanda Brown also resigned her casual position in February 2011.

In Corporate Services, Cherie Delmage (Accountant/Office Manager) moved on to the Shire of Toodyay in August 2010 and was replaced by Brendan Webb.

After Linda Sounness commenced as the Executive Secretary in June, Kaye Skinner retired on 2 July 2010.

In Works and Services, Megan Sounness returned to the position of Administration Officer – Works and Services on a part time basis, after an extended period of sick leave. When Sharon Lynch, Senior Administration/Project Officer, commenced parental leave in May 2011, Megan moved into her role on a temporary basis. With Megan filling in for Sharon, Lisa Reynolds returned to job share the role of Casual Administration Officer – Works and Services along with Kaye Skinner, whose retirement turned out to be short lived.

In August 2010, Deborah de Jonge was employed in the new full time position of Club Development/Grants Officer. This position was split in January 2011 creating two part time positions, Club Development Officer and Grants Officer. Deborah remained as the Club Development Officer and Glenise Bailey commenced as the Grants Officer.

Senior Cleaner, Gus Thiecke resigned in December 2010 and was replaced by Ursula McKiddie.

Lincoln King, General Hand Parks and Gardens, was involved in a serious car accident in December 2010 and did not return to his position. Peter Lukaras commenced in Parks and Gardens in February 2011.

Plant Operator/Labourers Jim Stoneham and Howard Evans resigned and were replaced by Stephen Maddocks and Neil Williams, who had initially been doing work at the Shire on a work placement program.

CORPORATE SERVICES

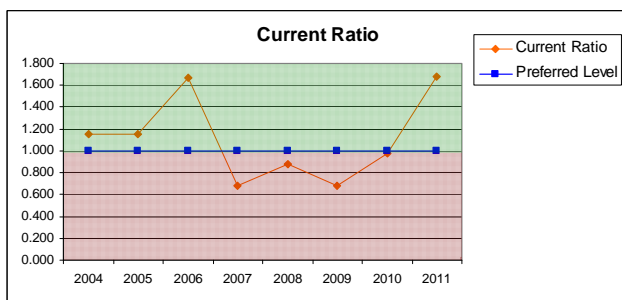
Finance

The Shire's operating net result was \$4,053,043 million in 2010/2011. Rate revenue increased from \$4.09 million in 2009/2010 to \$4.49 million in 2010/2011. Outstanding borrowings decreased from \$4.77 million in 2009/2010 to \$2.49 million in 2010/2011. The Council expended \$1,574,748 on land and buildings, \$2,285,636 on infrastructure capital works and \$1,428,750 on purchases of plant, and equipment.

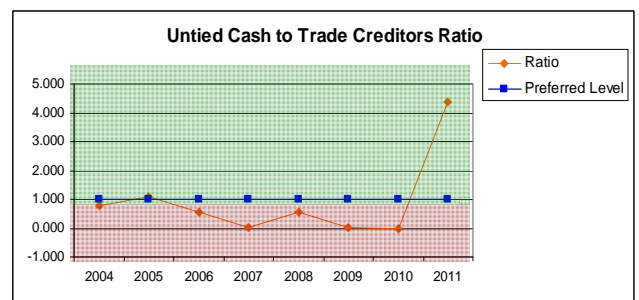
The level of reserve funds increased from \$683,267 in 2009/2010 to \$883,861 in 2010/2011. The Council received grants and contributions for the development of assets of \$4.66 million in 2010/2011. Total grants and contributions received was \$7.08 million.

In December 2010, the State Government announced that it would deliver on a major election commitment and invest \$21.5 million towards developing and modernising three key regional saleyards. The State provided \$2.3 million to the Shire to clear debt from its saleyards and as a result of this, loans 83, 84 and 89 were paid off.

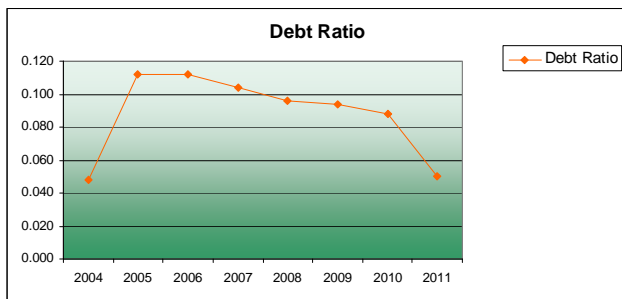
Financial Ratios



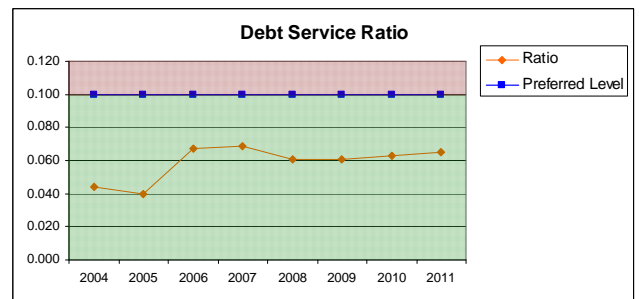
This ratio gives an indication of short term liquidity. That is the ability to meet financial obligations when they fall due. A ratio of greater than 1 is desirable.



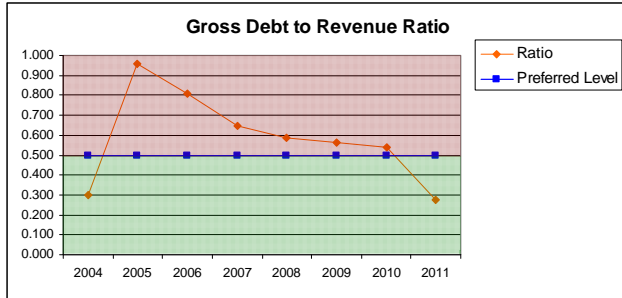
This ratio indicates the ability to meet immediate obligations to creditors with unrestricted / untied cash. A ratio less than 1 requires close examination of cash flow.



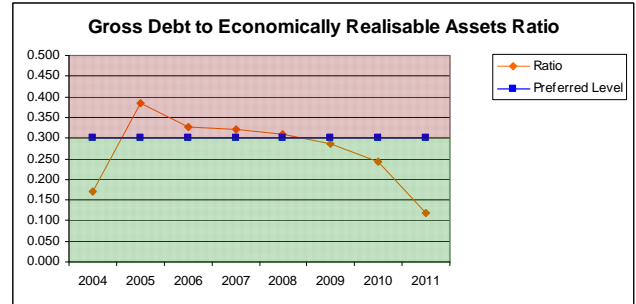
This ratio measures the Council's liabilities as a percentage of its assets. The lower the percentage generally indicates a greater ability to borrow against assets.



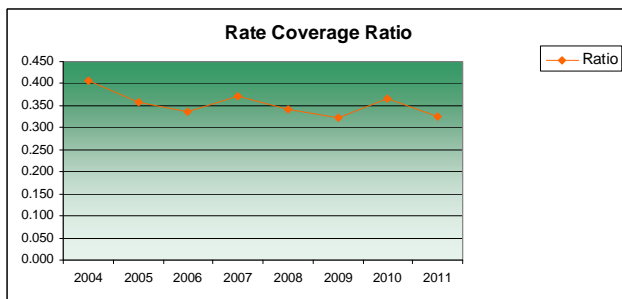
This ratio indicates the Council's ability to service debt.



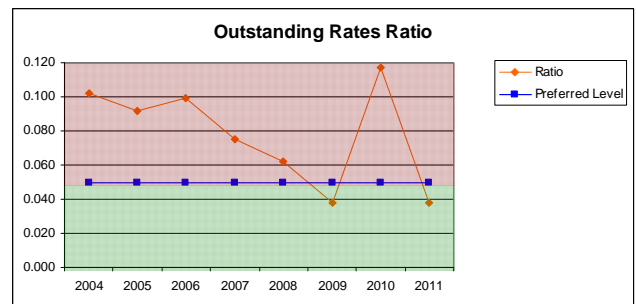
This ratio illustrates the Council’s ability to cover debt with its revenue in any given year if required by comparing it to total revenue received.



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 looks worse than it should be because the State Government loan payout is included in the Operating Revenue, hence lowering the ratio.



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 in 2009/2010 was impacted by the inability to collect rates from managed tree farm properties, which have now been received.

With the payout of saleyards loans, these ratios are now mostly within benchmark levels and the Council is in a sound financial position.

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 \$72,740 was returned to the community.

Licensing

The Council continues to provide licensing services on behalf of the Department of Transport. 11,295 transactions were processed in the 2010/2011 financial year, realising \$92,482 in commissions.

Local Laws

Two local law amendments were finalised 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

The following Council policies relating to Corporate and Executive Services were adopted or reviewed during 2010/2011:

- Alternative Flags;
- Asset Register;
- Drug and Alcohol;
- Elected Member Expenses to be Reimbursed;
- Equal Employment Opportunity;
- Group Rating;
- Injury Management and Rehabilitation;
- Insurance;
- Investments;
- Motor Vehicle Use - Shire President;
- Rate Incentive Prize;
- Rating of Council Owned Land - Sporting and Community Organisations;
- Self Supporting Loans;
- Sexual Harassment;
- Significant Accounting Policies;
- Vehicle Registration Plates Pl.1 and Pl.2 Issue;
- Vehicle Registration Plates;
- Workplace Bullying.

Policy Adoption

- Budget Preparation;
- Cemetery Memorials;
- Closed Circuit Television; and
- Council Owned Halls.

Mount Barker Cemetery

The extension of the Mount Barker Cemetery was officially opened on 10 November 2010 with Tony Crook MP, Federal Member for O'Connor officiating. The extension was constructed due to the current cemetery nearing capacity. Stage One of the cemetery includes 247 burial plots in a lawn cemetery arrangement, ground niche positions for the interment of ashes and an area dedicated to 'Natural Earth Burials'.

There will be various locations throughout the cemetery for the placement of memorial plaques such as on memorial trees, park benches and commemorative rocks. A large pavilion has been provided and the grounds are also landscaped to create a serene environment and provide an area for remembrance and reflection for loved ones. This cemetery is only one of very few cemetery developments in the state in the last ten years.



Great Southern Regional Cattle Saleyards

It was the second busiest year ever for the saleyards with a throughput of 74,899 cattle.

The Council appointed a new contractor for environmental and monitoring services, being Charles Williams from West Coast Laboratories.

The Council continued with its preventative maintenance program with replacement chains on weighbridge gates, replacing all the air lines around the stacking pens and improvements to gravel around gateways in pens. Extensive work was also done on the dirt pens next door to the weighbridges. However, there have been continuing problems with broken water pipes. Works staff shifted a lot of the soil from the ponds area to the tip.

In August 2010 the Department of Conservation and Environment (DEC) visited the saleyards to conduct an audit of the DEC licence conditions. A number of breaches of the licence were identified and subsequently rectified.

In October 2010, the lease of the canteen held by Wendy Swainson expired. A new three year lease was entered into with Mr M Dumbrell and Ms C Porter.

New computers were installed in the weighbridges in November 2010. The Livestock Exchange Saleyards program was updated and now accepts all newer versions of NVD's.

On 26 November 2010, the Director of Environment, Alan Sands and local DEC manager Caron Goodbourn had a tour to inspect the progress of improvements to environmental issues. They seemed to be pleased with the running of the yards and the effort put in. A formal warning letter was subsequently received from the DEC in relation to breaches of licence conditions, although no further action was taken.

In December 2010, the Government announced that it would deliver on a major election commitment and invest \$21.5 million towards developing and modernising three key regional saleyards. The State committed to provide \$2.3 million to the Shire to clear debt from its saleyards and provide a solid business basis for the yard's future.

In March 2011, the Saleyards celebrated its 10 year anniversary (in the 11th year). The Hon Minister for Agriculture, Terry Redman presented the cheque to the Shire for \$2.3 million.



In March 2011 the Committee met with agent representatives and discussed the background on the loan payout from the State Government and indicated that the Shire had excess funds of some \$150,000 for capital improvements. The Shire tabled plans for new dirt yards on the western side of the saleyards, incorporating extra room for receivals cattle, large storage yards for transit cattle and after sales bull pens. The agents in attendance were agreeable with the proposals.

Environmental consultant, Charles Williams continued to attempt to source an appropriate specialist to provide advice on waste water and associated environmental improvements. One of the firms did some investigations, but subsequently pulled out as they were of the view that their technology could not provide a solution which would enable environmental performance to be improved to the extent sought by DEC.

In April 2011, the Audit Committee requested the Saleyards Committee to meet with the Shire's auditors to discuss the implementation of a business plan which would ensure that the saleyards enterprise is successful and self sustaining. A series of financial projections were prepared and considered. The Saleyards Committee agreed that the financial projections be included in a number of matters to be discussed with the Shire's Auditor in respect to a business plan for the saleyards.

On 29 April 2011 Mr Williams arranged for a consultant from Klen International to look at the environmental issues and provide advice on how we could make improvements. As at the end of the financial year, the Shire was awaiting a report regarding the outcome of the investigations.

In May 2011, the Committee discussed a proposal that the saleyards' critical systems need to be running and should have some backup power. It was agreed that an energy audit of critical systems to be undertaken.

COMMUNITY SERVICES

Mount Barker Community Resource Centre

The Mount Barker Community Resource Centre opened its doors for business in 2011.

The \$2.2million initiative was guided by the Mount Barker Baptist Church, Baptist Union of Western Australia and the Shire of Plantagenet. It includes spaces for conferences, training, office space for visiting professionals or medium to long term rental, interview rooms, purpose built child care rooms, teleservices including a computer room, video conferencing facilities and the new Mount Barker Public Library.



Over the past five months the community has enjoyed a number of services not previously available within Plantagenet including:

- Homework club for Primary and High School aged students;
- Regular local interface with employment agencies such as Community First, Professional Vacation Services and Advanced Personnel Management;
- Southern Aboriginal Corporation meetings and liaison;
- Albany Legal meetings and interviews;
- Great Southern Employment Development Committee meetings;
- Communities for Children Regional Liaison meetings;
- Great Southern Institute of Technology courses;
- Visiting counsellors and psychologists; and
- Community training programs such as 'First Click'.

The Resource Centre is preparing to welcome a number of additional services in the immediate future including improved access to Government information through the Government Access Information portals, after school and vacation child care, a crèche for parents participating in training / development programs and Foodbank.

The Mount Barker Public Library is a bright, fresh new space. Services in the Library include wireless internet access, public information computers and a broad range of books, periodicals, reference materials, DVDs, CDs and other information resources.



The fit out of the library is ongoing with more furniture and internet access areas to be constructed. The Claude Hotchin Art Collection will be displayed in the new library area.

Kendenup and Mount Barker Skate Parks

Young people in Kendenup and Mount Barker were treated to some recreation facilities with a difference through the construction of skate parks in both townsites.

The community was actively involved in the planning and design of their skate parks. Kendenup residents focused on a facility that suited the natural environment surrounding their skate park site but included components for beginner and intermediate skaters. The Mount Barker community focused on a facility which incorporated components for beginners through to advanced skaters with plenty of built in seating surrounding the skate park features.

Both skate parks were designed and constructed by Convic, a Victorian based company. Avid skaters and bike riders had a seven month wait from design to a skating surface in both Mount Barker and Kendenup. Both skate parks are regularly used by skaters, bike riders and scooter riders of all ages and abilities.



Centenary and Wilson Park Improvements

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

A new set of public toilets featuring five cubicles was constructed adjacent to Lowood Road and the picnic area within the park.

Work also began on a Nature Play inspired playground development comprising play equipment fabricated from natural products, plantings and landscaping to create a sensory and visually appealing garden and large spaces to encourage children to move throughout the site.

A wetland design plan was also completed for the area between the Albany Highway and the railway line travelling through the park site. The wetland plan addresses the drainage issues throughout the site combined with visually attractive and educational features. Funding is being sought to progress the wetland plans.



Recreation and Community Programs

The Mount Barker Swimming Pool season was well supported with 22,854 people attending the facilities between November and March. Additional lighting was installed to help with evening lap swimming times and improve security throughout the site overnight. Structured swimming programs continue to be well attended including VacSwim lessons, school swimming lessons and carnivals and the continuation of the popular Infant Aquatic Classes.

The Recreation Centre program was expanded to include the Heartmoves Program designed for people recovering from surgical procedures or referrals from physiotherapists or general practitioners. New equipment was purchased for the gymnasium and sponsorship was received from the Mount Barker Rotary Club and Carter Williss to jointly purchase some gymnastics equipment to help expand the Junior Gymnastics Program.

The Mount Barker Library opened with a Tea and Topics program, discussing the 2014 Albany Anzac celebrations. A new program called Wiggle, Giggle and Grow aimed at developing the literacy skills of children from 2 – 5 years was trialled successfully and will be expanded in 2011 / 2012.

Emergency Services

The Shire's Bush Fire Brigades were supported by the FESA Emergency Services Levy (ESL) with the receipt of a new truck for the Narpyn Bush Fire Brigade.

Bush Fire Brigade sheds were constructed at the Forest Hill and South Porongurup Brigades to house their trucks, fire fighting equipment and to provide Brigades with a venue for training and meetings. The sheds were both funded through the ESL capital grants program.



A Lotterywest Grant was received for the installation of an external power point at the Mount Barker Recreation Centre. The power point has been designed to plug directly into generator power and to service components of the centre which will be required in the event of an emergency. Following the installation of the power point the Recreation Centre was designated at the Shire's key community evacuation centre.

The installation and maintenance of strategic firebreaks around townsites and major reserves was a key focus for the Shire. Strategic firebreak and water point maps have been prepared and will be updated annually. Several reserves have also been investigated to determine the extent of bushfire fuels within them, with the aim of preparing a Shire wide Reserve Management and Burn Plan. The planning work will continue in 2011 / 2012.

WORKS AND SERVICES

In 2010/2011 the Works and Services Department completed another substantial construction and maintenance program. The works program was based on maintaining and improving Shire infrastructure including roads, footpaths, drainage, town site gardens, recreation areas, reserves and waste management facilities.

Roadworks

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

Untied Federal and State Grants were as follows:

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

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

- Black Spot \$ 41,200
- Roads to Recovery \$408,161
- TIRES \$350,000
- State Road Projects (RRG) \$509,076

Works completed in the 2010/2011 financial year included:

Roads to Recovery - (Federal Government Funding)

- Stirling School Road \$ 45,801
- Eulup-Manurup Road \$155,030
- Red Gum Pass Road \$133,136

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

Regional Road Group (RRG)

- Porongurup Road \$447,264
- Woogenellup Road \$298,026

The State Government contribution for RRG funding is on a two thirds one thirds basis, with \$509,076 being allocated to the Shire of Plantagenet for the 2010/2011 financial year.

Timber Industry Roads (TIRES)

- Spencer Road \$537,694
- Spencer Road By-Pass \$ 13,975

Country Local Government Fund (Royalties for Regions)

- Kendenup Footpaths \$ 91,432

The State Government contribution for TIRES funding is on a two thirds one third basis, with \$350,000 being allocated to the Shire of Plantagenet for the 2010/2011 financial year.

Road Maintenance to Rural Roads and Town Streets

Major areas of maintenance expenditure were:

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

The total amount of expenditure for all aspects of road maintenance was \$1,288,934.

The road maintenance crew is staffed by a small number of dedicated staff members who undertake a vast array of duties to keep our roads in a safe trafficable standard. In 2010/2011 the works crew received 563 maintenance requests of which 509 were fulfilled. Requests for upgrades and significant maintenance cannot always be carried out as the Works and Services Department has limited resources. Where requests cannot be funded they are referred to the annual budget process for funding as and when priorities allow.

Plant Replacement

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

- 12M CAT Articulated Motor Grader;
- Cat Skid Steer Loader and Evertrans Tandem Axle Trailer;
- Medium Isuzu Truck;

- Water Truck; and
- Broons Handy Hitch Roller.

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

Parks and Gardens

Maintenance of the various public amenity grounds takes up approximately 95% of the Parks and Gardens budget which, for the last financial year was \$196,123. Major works included:

- Wilson Park (ongoing);
- Plantagenet Medical Centre; and
- Roundabout on Albany Highway.

Waste Management

A total of \$586,434 was spent for all aspects of waste maintenance which included:

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

Domestic waste continued to be collected by Great Southern Waste Disposal.

Recycling is on the increase now after the Global Economic Crisis and a reasonable amount of money is being received for heavy metal, scrap metal and cardboard. DrumMuster chemical drums are being dropped off after being triple rinsed and a receipt is issued to the person delivering them. The Shire is able to make claims on these via a National program.

During 2010/2011, \$108,363 was spent on rubbish collection, \$524,331 on waste disposal site maintenance and \$61,995 on capital improvements at waste sites.

DEVELOPMENT SERVICES

Town Planning

Scheme Amendments

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

- Amendment No. 44 – proposes to rezone Rural zoned Lots 756, 1233 and 1234 to the north of Mount Barker to the Residential zone. The Amendment was initiated by the Council on 13 March 2007 subject to modifications. The Environmental Protection Authority (EPA) authorised the amendment proceed and it was then referred to the Western Australian Planning Commission (WAPC) for approval to advertise. The WAPC granted consent to advertise subject to modifications. The Amendment was referred to the WAPC for a final decision on 24 July 2008. The WAPC and Minister required clarification on some issues and this was provided in January 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 prepared the Structure Plan which was advertised and referred to the WAPC on 25 March 2011. The WAPC in June 2011 required modifications to be carried out to both the Structure Plan and the Amendment.
- Amendment No. 50 – Rezoned land in the Kendenup village from Rural to Residential (R5) and an Enterprise Zone. The Amendment was initiated on 12 May 2009. The advertising closed on 25 August 2009 and the Council recommended final approval subject to modifications. The WAPC required modifications in August 2010. The modifications were carried out and the Amendment was finalised on 19 October 2010.
- Amendment No. 51 – Rezoned portion of Lot 830 Spring Road from Rural to Rural Residential and adjusted 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. The WAPC required modifications on 30 August 2010. The modifications were carried out and the Amendment was finalised on 23 November 2010.
- 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 did not require a formal assessment. The DOP Albany advised on 9 June 2010 the WAPC approval to advertise the Amendment was required. The WAPC advised on 6 May 2011 that the Minister had refused consent for the Amendment to be advertised.

- Amendment No. 53 – Zoned various lots in the Rocky Gully Townsite to the Enterprise Zone and zoned 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 WAPC required modifications on 24 December 2010. The modifications were carried out and the Amendment was finalised on 25 January 2011.
- Amendment No. 54 – proposes to carry out various alterations and corrections to the Scheme Text and was initiated by the Council on 14 June 2011. The Amendment was referred to the EPA on 20 June 2011.
- Amendment No. 55 – proposes to rezone lots 504, 505 and 1330 Mitchell Street, Warburton Road and Braidwood Road to Rural Residential and was initiated on 1 March 2011. The Amendment was referred to the EPA on 8 March 2011 and on 4 April 2011 the EPA authorised it to proceed to advertising. The advertising closed on 26 May 2011 and the Council on 14 June 2011 recommended final approval. The Amendment was referred to the WAPC on 20 June 2011.
- Amendment No. 56 – proposes to rezone the former Primary School site in Mount Barker to Residential (R17.5) and was initiated on 7 September 2010. The EPA authorised the Amendment to proceed to advertising on 30 September 2010. The advertising closed on 24 November 2010 and the Council on 14 December 2010 recommended final approval. The Amendment was referred to the WAPC on 20 December 2010.
- Amendment No. 57 – proposes to rezone land in O'Neill Road from Rural to Rural Residential and was initiated by the Council on 17 August 2010 and referred to the EPA for approval to advertise. This Amendment replaces an earlier Amendment No. 45. The advertising concluded in December 2010 and the Council adopted the Amendment for final approval and referred it to the WAPC on 28 January 2011.
- 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. After advertising the Council considered submissions in July 2010 and advised the proponent it would be prepared to consider a formal Amendment to TPS3 provided particular issues were addressed.

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 1 March 2011. That new policy is:

- Town Planning Scheme Policy No. 19 – Kendenup Rural Surrounds – this policy provides guidance and assists in land use control and subdivisional control.

Local Planning Strategy

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

The full draft of the LPS was adopted by the Council on 10 June 2008 after which it was referred to the WAPC for its approval to advertise for public feedback. The WAPC refused to accept the LPS 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 and the DOP. The WAPC agreed to the draft LPS being advertised in February 2011 subject to more areas being deleted. The Council is yet to consider these additional deletions before advertising the draft.

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. The Committee has met on three occasions in the last year.

Development and Subdivision Applications

A broad range of development applications were processed and received planning consent under Town Planning Scheme No. 3. In the 2010/2011 year a total of 32 applications were processed which is an decrease from the 54 last year.

A sign of positive growth of the Shire is the level of subdivision activity. During 2010/2011 a total of 15 subdivision applications were considered and recommendations provided to the WAPC which is the government agency that determines subdivisions.

New Town Planning Scheme – Shire of Broomehill-Tambellup

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

Building

A total of 132 Building Licences were issued. Some of these licences included 38 houses, four carports, 15 patios and 48 sheds/garages. This total of 132 licences is a slight decrease from 142 issued in the 2009/2010 financial year.

The Council's Principal Building Surveyor has compiled a building maintenance asset register for all of the Council's buildings. He has also played a critical role in supervising the construction of the Pavilion at the new cemetery in Mitchell Street and also provides building surveyor support to the Shire of Kojonup.

Environmental Health Services

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

Food Premises

The Shire has a total of 85 registered food businesses/premises. These food businesses range from:

- Class 1 food businesses (31) - high risk foods (restaurants, abattoirs, fast food etc.);
- Class 2 food businesses (13) - medium risk foods (cafes, canteens, grocers etc.); and
- Class 3 food businesses (41) - low risk foods (wineries, home food production, community kitchens etc.).

Eighty-five inspections of food businesses were conducted, including routine inspections, follow-up reinspections and assessment for new premises or renovations.

Forty-nine temporary food stall applications were assessed and approvals issued for an assortment of community fetes, markets and fundraising events.

Permits were also assessed and issued for alfresco dining (6) and trading activities (4) within the Shire.

Food Sampling

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

Water Sampling

- Processing Waters – Mount Barker Chickens – 60 poultry processing water samples were collected for microbiological analysis.
- Swimming Pools – 30 water samples were collected for microbiological analysis.
- Drinking Water Supplies – 43 potable water samples were collected from public and private drinking water supplies for microbiological analysis. A further 10 water samples were collected from the Rocky Gully town water supply in response to a number of water quality allegations.
- Environmental Waters – 12 water samples were collected from various natural environmental water sources.
-

Registered Premises

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

Public Buildings

Twelve 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 required detailed assessment and consultation with the various promoters and event organisers. These events were the Porongurup Wine Festival, Mount Barker Grapes and Gallops and Circus Royale.

Holiday Accommodation

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

Building Development

As part of the building development process, each building licence application is assessed for health standards, access to potable water supplies and on-site wastewater treatment and disposal. Each on-site wastewater treatment and disposal system application requires an initial site inspection by the Environmental Health Officer to enable site assessment and approval and a second inspection at the time of the systems installation. A total of 33 applications were received and subsequently approved.

Complaints

Seventeen 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 issues, detailed investigation, assessment and mediation to resolve.

DrumMuster/ChemCollect

These programs are designed to provide a mechanism for the collection of clean used pesticide containers and unwanted agricultural chemicals. The DrumMuster program collected in excess of 2,500 used chemical containers for reprocessing and the ChemCollect program collected approximately 50 litres of unwanted farm chemicals.

Other Activities

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

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

Record Keeping

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

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

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

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

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

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

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

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

In conjunction with the preparation of the Records Keeping Plan, a survey assessment was conducted of the Shire’s RMS. The results of that survey (20 respondents) are as follows:

	Completely Disagree	Strongly Disagree	Neutral	Strongly Agree	Completely Agree
1. I am adequately trained to use our Records Management System for my purposes	0	0	1	10	9
2. I easily find information within the Records Management System	2	5	2	7	3
3. I am comfortable utilising our Records Management System	1	1	1	8	9
4. I usually print records from our Records Management System	1	5	1	6	7
5. I am confident in the accuracy of our Records Management Systems	1	5	2	7	5
6. I access the Records Management System on a Daily basis	1	2	0	5	12
7. My searches for Records in the System always produce the results I require	4	4	3	8	2
8. I keep hard copies of records in my office	3	7	1	5	4
9. I find the Records Management System training helpful	1	3	3	5	8
10. I have problems locating the information I need into the Records Management System	2	4	4	8	3

Other comments confirmed that staff training is generally acceptable, but targeted training would be useful. The difficulties some staff have in locating records stems from two main areas. The number of duplicate correspondents contained within the RMS, particularly as a result of State Government name and address changes and their number of different offices. A system search can only use one of these per search.

In addition, the sheer nature of an electronic system results in a reduced focus on appropriate file allocation. In many cases the inbuilt thesaurus is not adequate, to enable adequate searches, but the lack of a physical file does not trigger a need to correct this at the time of the mail coming in.

On the basis of the staff training, information sessions, publications and survey, the Recordkeeping systems were assessed as being somewhat efficient and effective, although there is room for improvement.

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

Disability Services Plan

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

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

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

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

- Developing the concept of 'inclusive club policies' within sport, recreation and community groups;
- Expanding the range of large print and audio books through the Mount Barker and Rocky Gully libraries;
- Incorporating the need for access by people with disabilities into public events and festival request forms;
- Tailoring Recreation Centre fitness programs to assist people with limited abilities; and
- Designing both the Mount Barker and Kendenup Skate Park facilities so they may be accessible by people on wheel chairs or other mobility assisted equipment. The Kendenup Skate Park was officially opened by a local senior on her four wheeled gopher!

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 2010/2011 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	2011	2010
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'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.

During this reporting period the Plan for the Future for the period 1 July 2010 to 30 June 2012 was adopted. 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.

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

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

2011/2012 Budget Initiatives

The major initiatives that are included in the 2011/2012 budget are as follows:

Income

- 6% effective increase in rate revenue
- Rubbish collection charge to increase to \$180.00; additional bins to remain at \$140.00
- General Waste Levy removed
- Minimum rate to increase to \$695.00

Expenses

- Financial Assistance Grants to community groups and organisations - \$62,344
- New FESA fire trucks for Denbarker, Perillup and Porongurup Bush Fire Brigades - grant funded
- Continuation of investigations into a new waste disposal facility - \$67,727
- Upgrades to O'Neill landfill site and transfer stations - \$165,748
- Purchase new Mack hook lift truck - \$275,000 (net cost \$250,000), together with other plant items such as a medium Hino truck, Isuzu crew cab, Kubota tractor mower, road broom and bitumen trailer
- Upgrades to Plantagenet District Hall - \$25,000
- Upgrades and software management system for swimming pool - \$54,700
- Upgrades and gym equipment for recreation centre - \$48,757
- Improvements to recreation grounds, including design and allocation of Royalties for Regions funds for the implementation of the Shire Recreation Plan at Sounness Park – Over \$1,000,000
- Continuation of new library fit-out – Additional \$55,000

- Mitchell House – Repairs and upgrades - \$25,440
- Visitor Centre roof repairs - \$20,000
- Improvements at Great Southern Regional Cattle Saleyards - \$211,500 (Largely funded by State Government contribution)
- Continuation of remediation of Menston Street depot – Additional \$50,000
- Road construction program totalling \$2.5 million, including:
 - Woogenellup Road - SLK 33 to 36.72 - \$492,000
 - Porongurup Road - SLK 26.00 to 28.18 - \$380,000
 - Spencer Road - SLK 0.0 to 4.5 - \$200,000
 - Yellanup Road - SLK 4.0 to 6.6 - \$100,000
 - Lowood Road - Southern Entrance to Co-op Fuel - \$76,000
 - Takalarup Road - SLK 2.80 to 8.84 - \$250,000
 - Wilson Rd - Albany Highway to Craddock Rd - \$82,000
 - Menston Street - Cul-de-sac (north end) - \$27,400
 - Mills Road - Entire length - \$43,450
 - Wilson Road - Craddock Rd to Carr Rd - \$47,500
 - Hambley Sreet - Intersection with Warburton Rd - \$17,360
 - Lowood Road - Near Bakery - \$40,000
 - Kwornicup Road - SLK 0.00 to 4.23 - \$85,000
 - Williams Road - \$80,000
 - Short Street - Townscape Improvement Works - \$250,000 (Half grant funding by GSDC)
 - Entry Statements - Kendenup - \$31,600
 - Martagallup Road - Grain Pull-in Bay - \$30,000

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 2010/2011 year, one FOI application was processed.

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.
- Development and review of the Shire's Long Term Financial Plan and Forward Capital Works Plan.

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

The brief of this committee is 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.



28 November 2011

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 2011

We are pleased to report that our audit of the Shire of Plantagenet's financial statements and records for the year ended 30 June 2011 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.

'Liability limited by a scheme approved under Professional Standards Legislation'

Partners
Russell Harrison
Gary Philpott
Craig Anderson
Brendan Taylor

*Our vision is to be recognised as a business with a broad range of skills
committed to contributing most to our client's success.*

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Fax: (08) 9842 1034
Email: lincolns@lincolns.com.au
Web: www.lincolns.com.au

Comment on Financial Position

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

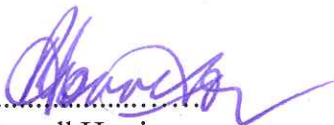
- (a) The Current Ratio disclosed at Note 18 to the Financial Report, which indicates short term solvency or liquidity, is shown to be 1.679 at 30 June 2011 (.989 at 30 June 2010). A current ratio of less than 1.0 indicates that current assets are insufficient to meet current liabilities. We note in 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 4.391 at 30 June 2011 (minus .021 at 30 June 2010). A ratio of less than 1.0 indicates that short term cash issues may arise in meeting creditor payment liabilities.
- (c) Debt ratios are within benchmarks which reflects the low debt structure used by Council.

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

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

Should there be any matters that you would like to discuss further please do not hesitate to contact either Chris Harrison or myself at this office.

Kind Regards



.....
Russell Harrison
Partner
enc

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

Report on the Financial Report

We have audited the accompanying financial report of the Shire of Plantagenet, which comprises the balance sheet as at 30 June 2011, and the income statement, statement of changes in equity, cash flow statement, rate setting statement and the notes to and forming part of the financial report for the year ended on that date.

Councils' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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

Auditor's Opinion

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

- (a) giving a true and fair view of the Shire's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Other Matters

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

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



Russell Harrison, Partner
Lincolns Accountants and Business Advisers
70 - 74 Frederick Street, Albany WA

Dated this *28th* day of *November* 2011.

Shire of Plantagenet
Financial Report
For the Year Ended 30 June 2011

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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 2011

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Statement by Chief Executive Officer

The attached financial report of the Shire of Plantagenet being the annual financial report and supporting notes and other information for the financial year ended 30 June 2011 are, in my opinion, properly drawn up to present fairly the financial position of the Shire of Plantagenet as at 30 June 2011 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 28th day of November 2011



Rob Stewart
Chief Executive Officer

Shire of Plantagenet
Statement of Comprehensive Income
By Nature Or Type
For the Year Ended 30 June 2011

	Note	2011 \$	2011 Budget \$	2010 \$
Revenue				
Rates	22	4,490,214	4,494,930	4,090,102
Operating Grants, Subsidies and Contributions	28	2,383,741	2,139,371	2,378,004
Fees and Charges	27	2,112,044	2,076,048	1,990,935
Interest Earnings	2(a)	243,965	158,500	167,687
Other Revenue		<u>101,078</u>	<u>8,727</u>	<u>57,838</u>
		9,331,041	8,877,576	8,684,566
Expenses				
Employee Costs		(3,478,167)	(3,465,165)	(3,169,066)
Materials and Contracts		(1,889,413)	(2,305,670)	(1,716,214)
Utility Charges		(214,584)	(198,147)	(126,993)
Depreciation on Non-Current Assets	2(a)	(3,731,278)	(2,464,953)	(2,658,317)
Interest Expenses	2(a)	(302,844)	(281,859)	(297,160)
Insurance Expenses		(192,128)	(227,876)	(191,577)
Other Expenditure		<u>(274,638)</u>	<u>(313,456)</u>	<u>(328,770)</u>
		<u>(10,083,051)</u>	<u>(9,257,125)</u>	<u>(8,488,097)</u>
		(752,010)	(379,549)	196,469
Non-Operating Grants, Subsidies and Contributions	28	4,660,042	2,341,748	2,619,044
Profit on Asset Disposals	20	84,189	68,551	43,826
Loss on Asset Disposals	20	<u>(4,542)</u>	<u>(5,272)</u>	<u>(2,196)</u>
Net Result		3,987,679	2,025,478	2,857,142
Other Comprehensive Income		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>3,987,679</u></u>	<u><u>2,025,478</u></u>	<u><u>2,857,142</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 2011

	Note	2011 \$	2011 Budget \$	2010 \$
Revenue				
Governance		149,693	56,254	64,801
General Purpose Funding		6,174,311	5,696,160	5,578,571
Law, Order, Public Safety		594,938	922,584	664,325
Health		72,165	72,191	226,433
Education and Welfare		4,594	0	3,752
Community Amenities		654,167	668,376	625,378
Recreation and Culture		1,217,721	1,112,935	705,481
Transport		1,398,955	1,312,736	1,939,144
Economic Services		3,452,009	947,834	957,292
Other Property and Services		<u>356,720</u>	<u>498,806</u>	<u>582,259</u>
		14,075,272	11,287,875	11,347,435
Expenses Excluding Finance Costs				
Governance		(591,628)	(645,538)	(578,144)
General Purpose Funding		(271,134)	(295,691)	(264,085)
Law, Order, Public Safety		(689,493)	(529,189)	(443,175)
Health		(214,858)	(225,490)	(152,014)
Education and Welfare		(97,691)	(84,561)	(57,839)
Community Amenities		(1,048,772)	(1,004,154)	(918,839)
Recreation and Culture		(1,421,951)	(1,422,471)	(1,180,977)
Transport		(3,917,386)	(3,129,475)	(3,081,737)
Economic Services		(1,269,975)	(1,234,289)	(1,119,921)
Other Property and Services		<u>(261,861)</u>	<u>(407,510)</u>	<u>(396,403)</u>
		(9,784,750)	(8,978,369)	(8,193,134)
Finance Costs				
Governance		(132,951)	(133,078)	(138,466)
Health		(2,950)	(7,578)	(9,603)
Recreation and Culture		(11,478)	(11,527)	(12,626)
Economic Services		<u>(155,464)</u>	<u>(131,845)</u>	<u>(136,465)</u>
	2(a)	(302,844)	(284,028)	(297,160)
Net Result		<u>3,987,678</u>	<u>2,025,478</u>	<u>2,857,142</u>
Other Comprehensive Income		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u>3,987,678</u>	<u>2,025,478</u>	<u>2,857,142</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	2011 \$	2010 \$
Current Assets			
Cash and Cash Equivalents	3	2,074,958	1,428,440
Trade and Other Receivables	4(a)	829,224	1,103,518
Inventories	5	65,107	52,789
Total Non Current Assets		<u>2,969,289</u>	<u>2,584,747</u>
Non-Current Assets			
Other Receivables	4(a)	158,455	169,311
Other Financial Assets	4(b)	4,692	4,692
Property, Plant and Equipment	6	17,986,834	16,496,487
Infrastructure	7	46,473,824	46,718,663
Total Non-Current Assets		<u>64,623,805</u>	<u>63,389,153</u>
Total Assets		<u>67,593,095</u>	<u>65,973,900</u>
Current Liabilities			
Trade and Other Payables	8	294,267	410,091
Long Term Borrowings	9	142,639	278,941
Provisions	10	588,438	549,541
Total Current Liabilities		<u>1,025,344</u>	<u>1,238,573</u>
Non-Current Liabilities			
Long Term Borrowings	9	2,346,307	4,495,296
Provisions	10	58,642	64,907
Total Non-Current Liabilities		<u>2,404,949</u>	<u>4,560,203</u>
Total Liabilities		<u>3,430,293</u>	<u>5,798,776</u>
Net Assets		<u>64,162,802</u>	<u>60,175,124</u>
Equity			
Retained Surplus		63,199,742	59,412,658
Reserves - Cash Backed	11	883,860	683,266
Reserves - Asset Revaluation	12	79,200	79,200
Total Equity		<u>64,162,802</u>	<u>60,175,124</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 2011**

	Note	Retained Surplus \$	Reserves Cash Backed \$	Asset Revaluation Reserve \$	Total Equity \$
Balance as at 1 July 2009		56,807,474	431,308	79,200	57,317,982
Changes in Accounting Policy		0	0	0	0
Correction of Errors		0	0	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
Restated Balance		56,807,474	431,308	79,200	57,317,982
Net Result		2,857,142	0	0	2,857,142
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers		(251,958)	251,958	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2010		59,412,658	683,266	79,200	60,175,124
Net Result		3,987,679	0	0	3,987,679
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers	11 & 12	(200,594)	200,594	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2011		<u>63,199,742</u>	<u>883,860</u>	<u>79,200</u>	<u>64,162,802</u>

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

Shire of Plantagenet
Statement of Cash Flows
For the Year Ended 30 June 2011

	Note	2011 \$	2011 Budget \$	2010 \$
Cash Flows From Operating Activities				
Receipts				
Rates		4,789,397	4,724,692	3,770,141
Operating Grants, Subsidies and Contributions		2,364,369	2,139,371	2,353,538
Fees and Charges		2,209,473	2,076,048	2,075,423
Interest Earnings		244,014	158,500	167,733
Goods and Services Tax		396,568	364,050	405,516
Other Revenue		109,569	8,727	59,681
		<u>10,113,390</u>	<u>9,471,387</u>	<u>8,832,032</u>
Payments				
Employee Costs		(3,429,583)	(3,465,165)	(3,226,930)
Materials and Contracts		(2,006,388)	(1,957,746)	(1,510,800)
Utility Charges		(217,247)	(198,147)	(128,147)
Insurance Expenses		(192,128)	(227,876)	(191,984)
Interest Expenses		(339,821)	(281,859)	(299,766)
Goods and Services Tax		(396,423)	(421,978)	(451,808)
Other Expenditure		(270,663)	(313,456)	(316,512)
		<u>(6,852,254)</u>	<u>(6,866,227)</u>	<u>(6,125,947)</u>
Net Cash Provided By (Used in) Operating Activities	13(b)	<u>3,261,136</u>	<u>2,605,160</u>	<u>2,706,085</u>
Cash Flows from Investing Activities				
Purch of Property, Plant and Equipment		(2,994,655)	(3,353,961)	(2,432,315)
Construction of Infrastructure		(2,294,480)	(2,683,463)	(2,848,095)
Advances to Community Groups		0	0	0
Non-operating Grants, Subsidies and Contributions		4,551,025	2,341,748	2,401,221
Proceeds from Sale of Plant and Equipment		391,995	371,100	73,182
		<u>391,995</u>	<u>371,100</u>	<u>73,182</u>
Net Cash Provided By (Used in) Investing Activities		(346,115)	(3,324,576)	(2,806,008)
Cash Flows From Financing Activities				
Repayment of Debentures		(2,285,292)	(278,931)	(263,193)
Proceeds from New Debentures		0	0	0
Proceeds from Self Supporting Loans		16,789	16,789	15,645
		<u>16,789</u>	<u>16,789</u>	<u>15,645</u>
Net Cash Provided by (used in) Financing Activities		(2,268,503)	(262,142)	(247,549)
Net Increase (Decrease) in Cash Held		646,518	(981,558)	(347,471)
Cash at Beginning of Year		1,428,440	1,472,376	1,775,911
Cash and Cash Equivalents at the End of the Year	13(a)	<u>2,074,957</u>	<u>490,817</u>	<u>1,428,440</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 2011**

	Note	2011 \$	2011 Budget \$
Revenue			
Governance		149,693	56,254
General Purpose Funding		1,684,097	1,236,230
Law, Order, Public Safety		594,938	922,584
Health		72,165	72,191
Education and Welfare		4,594	0
Community Amenities		654,167	668,375
Recreation and Culture		1,217,721	1,112,935
Transport		1,398,955	1,312,736
Economic Services		3,452,009	947,834
Other Property and Services		356,720	498,806
		<u>9,585,058</u>	<u>6,827,944</u>
Expenses			
Governance		(724,579)	(778,616)
General Purpose Funding		(271,134)	(295,691)
Law, Order, Public Safety		(689,493)	(529,189)
Health		(217,808)	(233,069)
Education and Welfare		(97,691)	(84,561)
Community Amenities		(1,048,772)	(1,004,154)
Recreation and Culture		(1,433,429)	(1,433,999)
Transport		(3,917,386)	(3,129,475)
Economic Services		(1,425,439)	(1,366,134)
Other Property and Services		(261,861)	(407,510)
		<u>(10,087,594)</u>	<u>(9,262,397)</u>
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit) / Loss on Asset Disposals	20	(79,647)	(63,279)
Movement in Accrued Interest		(36,977)	0
Movement in Deferred Pensioner Rates (Non-Current)		(7,161)	0
Movement in Accrued Salaries and Wages		16,824	0
Movement in Employee Benefit Provisions		32,632	0
Movement in Doubtful Debts Provision		335	0
Depreciation and Amortisation on Assets	2(a)	3,731,278	2,700,786
Capital Expenditure & Revenue			
Purchase Land and Buildings		(1,574,748)	(1,469,032)
Purchase Infrastructure Assets		(2,285,636)	(3,020,260)
Purchase Plant and Equipment		(1,329,327)	(1,800,529)
Purchase Furniture and Equipment		(99,423)	(84,400)
Proceeds from Disposal of Assets	20	391,995	371,100
Repayment of Debentures	21(a)	(2,285,291)	(278,931)
Self-Supporting Loan Principal Income		16,789	16,789
Add Transfer from Unspent Loan		40,720	0
Less Transfers to Reserves (Restricted Assets)	11	(763,304)	(685,000)
Transfers from Reserves (Restricted Assets)	11	562,710	572,727
Surplus / (Deficit) July 1 B/Fwd		1,504,943	1,679,550
Surplus / (Deficit) June 30 C/Fwd		1,824,389	0
Amount Required To Be Raised From Rates	22	<u>(4,490,214)</u>	<u>(4,494,930)</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

1. Significant Accounting Policies

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

(a) Basis Of Preparation

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

The report has also been prepared on the accrual basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets financial assets and liabilities.

Critical Accounting Estimates

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax (GST)

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

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

(e) Trade and Other Receivables

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

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

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.

Land Held for Resale

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

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

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

(g) Fixed Assets

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

Initial Recognition

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

Revaluation

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

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

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

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

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

1. Significant Accounting Policies (Continued)

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.

(g) Fixed Assets (Continued)

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.

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

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

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

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

1. Significant Accounting Policies (Continued)

Depreciation Of Non-Current Assets (Continued)

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

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

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

Capitalisation Threshold

Expenditure on items of equipment under \$2,000 is not capitalised.

(h) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

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

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

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

1. Significant Accounting Policies (Continued)

(h) Financial Instruments

Classification and Subsequent Measurement (Continued)

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

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period (classified as non-current assets).

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

Held-to-maturity financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period (classified as current assets).

If the Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

Classification and Subsequent Measurement (Continued)

(iv) Available-for-sale financial assets

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

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period (classified as current assets).

(v) Financial liabilities

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

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

1. Significant Accounting Policies (Continued)

(i) Estimation of Fair Value

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

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

(j) Impairment

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

Where such an indication exists, an 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.

(k) Trade and Other Payables

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

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

1. Significant Accounting Policies (Continued)

(l) 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 reporting date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

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

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the 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.

(m) Borrowing Costs

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

(n) Provisions

Provisions are recognised when:

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

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

Provisions are not recognised for future operating losses.

(o) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

1. Significant Accounting Policies (Continued)

(o) Leases (Continued)

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

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

(p) 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.

(q) Rates, Grants, Donations and Other Contributions

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

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

(r) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees.

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

(v) 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 2011

1. Significant Accounting Policies (Continued)

(w) 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 2011.

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 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 1053 - Application of Tiers of Australian Accounting Standards	June 2010	01 July 2013	Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iv) 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.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

1. Significant Accounting Policies (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(v) 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 (i) above).
(vi) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	01 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(vii) AASB 2010 - 4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101, 134, and Interpretation 13]	June 2010	01 January 2011	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.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

1. Significant Accounting Policies (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 2010 - 5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	October 2010	01 January 2011	Nil - The revisions embodied in this standard are largely editorial in nature or relate to standards not applicable to the Council and will have minimal effect (if any) on the accounting practices of the Council.
(ix) AASB 2010 - 6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 & 7]	November 2010	01 July 2011	Nil - The revisions embodied in this standard amend disclosures required on transfers of financial assets. The Council is not expected to have any qualifying transfers.
(x) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(xi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 1 & 7]	December 2010	01 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

1. Significant Accounting Policies (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(xi) (Continued)			
AASB 2010 - 9 Amendments to Australian Accounting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]	December 2010	01 July 2011	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 2009- 14 Amendments to Australian Interpretations – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	December 2009	01 January 2011	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 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009 - 11 & 2010 - 7]	December 2010	01 January 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

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 2011

1. Significant Accounting Policies (Continued)

(x) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

AASB 2009 - 5
AASB 2009 - 8
AASB 2009 - 10
AASB 2009 - 13
AASB 2010 - 1
AASB 2010 - 3

Interpretation 19

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

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

2. Revenue and Expenses	Note	2011 \$	2010 \$
(a) Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditor's Remuneration			
- Audit		13,695	14,243
- Other Services		880	7,150
Depreciation and Amortisation			
Buildings	6	340,507	298,097
Furniture and Equipment	6	102,263	103,742
Plant and Equipment	6	737,006	517,835
Infrastructure	7	2,471,999	1,670,607
Amortisation of Buildings and Infrastructure	6 & 7	79,501	68,037
		<u>3,731,278</u>	<u>2,658,317</u>
Interest Expenses (Finance Costs)			
Debentures (refer Note 21(a))		302,844	297,160
		<u>302,844</u>	<u>297,160</u>
Rental Charges			
- Operating Leases		20,759	20,303
		<u>20,759</u>	<u>20,303</u>
(ii) Crediting as Revenue:			
	2011 Actual	2011 Budget	2010 Actual
	\$	\$	\$
Interest Earnings			
Investments			
- Reserve Funds	55,594	15,000	16,931
- Other Funds	114,402	90,000	90,665
Other Interest Revenue (refer Note 26)	73,969	53,500	60,091
	<u>243,965</u>	<u>158,500</u>	<u>167,687</u>

Significant Revenue

In line with government policy on stimulating the economy, the Shire has received its 1st quarter Financial Assistance Grants for 2011/2012, comprising \$212,501 (Untied Road Grant) and \$118,338 (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 2011

2. Revenues & Expenses (Continued)

(b) Statement of Objective

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

Our Vision

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

General Purpose Funding

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

Activities: Rates, general purpose government grants and investments.

Governance

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

Activities: Administration and operation of facilities and services to members of council; Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

Law, Order & Public Safety

Objective: To provide services to help ensure a safer community.

Activities: Fire prevention, emergency services, animal control and administration of local laws.

Health

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

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

Education and Welfare

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

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

Community Amenities

Objective: Provide services required by the community.

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

Recreation and Culture

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

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

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

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 2011

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-09 \$	Received (+) 2009/10 \$	Expended (#) 2009/10 \$	Closing Balance (*) 30-Jun-10 \$	Received (+) 2010/11 \$	Expended (#) 2010/11 \$	Closing Balance 30-Jun-11 \$
DEC	Zero Waste Grant	18,000	0	(18,000)	0	0	0	0
TIRES	Spencer Road (SLK 6 to SLK 8)	28,110	0	(28,110)	0	0	0	0
TIRES	Spencer Road (Albany Hwy Slip Lanes)	21,837	0	(21,837)	0	0	0	0
Blackspot	Lowood Road/Mondurup Street Upgrade	94,800	0	(94,800)	0	0	0	0
Dep't of Transport - RLCIP	New Mount Barker Cemetery	21,910	0	(21,910)	0	0	0	0
CLGF - Royalties for Regions	Various Projects	1,071,541	0	(445,372)	626,169	0	(520,837)	105,332
CLGF - Royalties for Regions	Forward Capital Works Plan	0	35,000	0	35,000	0	(16,862)	18,138
Office of Crime Prevention	Mount Barker Youth Space & Skate Park	0	20,000	0	20,000	0	(20,000)	0
Dep't of Transport - RLCIP	Forest Hill Hall & Public Art (Crane)	0	0	0	0	30,000	(15,000)	15,000
Dep't of Agriculture and Food	Dry Season Scheme	0	0	0	0	20,000	(4,618)	15,382
Dep't of Regional Development	Mount Barker Community Centre - Co-Location	0	0	0	0	90,000	(66,612)	23,388
Disability Services Commission	Accessible Communities - Wilson Park	0	0	0	0	5,664	0	5,664
Department of Local Government	Asset Management Capacity Building	0	0	0	0	70,000	0	70,000
Department of Local Government	Long Term Financial Plan	0	0	0	0	25,000	0	25,000
Roads to Recovery	Capital Roadworks	0	0	0	0	408,161	(283,697)	124,464
Total		<u>1,256,198</u>	<u>55,000</u>	<u>(630,029)</u>	<u>681,169</u>	<u>648,825</u>	<u>(927,627)</u>	<u>402,367</u>

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 2011

	Note	2011 \$	2010 \$
3. Cash and Cash Equivalents			
Unrestricted		760,314	(5,130)
Restricted		1,314,643	1,433,570
		<u>2,074,958</u>	<u>1,428,440</u>

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

Employee Entitlements Reserve	12	11,163	5,461
Plant Replacement Reserve	12	94,398	213,461
Town Drainage Reserve	12	88,553	62,983
Great Southern Regional Cattle Saleyards Reserve	12	21,342	0
Land Rehabilitation Reserve	12	0	0
Kendenup Hall and Grounds Reserve	12	0	1,933
New Waste Disposal Site Reserve	12	218,578	184,830
Recreation Facilities Reserve	12	0	31,072
Computer Software/Hardware Upgrade Reserve	12	21,342	0
Kendenup Townsite Study Reserve	12	0	4,705
Outstanding Land Resumptions Reserve	12	23,904	17,400
Shire Development and Building Improvements Reserve	12	295,899	119,577
Natural Disaster Reserve	12	65,996	41,845
Plantagenet Medical Centre Reserve	12	42,685	0
Unspent Grants	2(c)	402,367	681,169
Unspent Loans	21(c)	28,415	69,135
		<u>1,314,643</u>	<u>1,433,570</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

4(a). Trade and Other Receivables	2011 \$	2010 \$
Current		
Rates Outstanding	190,693	487,219
Sundry Debtors	613,285	584,124
Other Receivables	9,320	17,143
GST Receivable	0	0
Loans - Clubs / Institutions	18,017	16,789
Provision For Doubtful Debts	<u>(2,091)</u>	<u>(1,756)</u>
	<u><u>829,224</u></u>	<u><u>1,103,518</u></u>
Non-Current		
Rates Outstanding - Pensioners	31,521	24,360
Loans - Clubs / Institutions	<u>126,934</u>	<u>144,951</u>
	<u><u>158,455</u></u>	<u><u>169,311</u></u>
4(b). Other Financial Assets		
Investment in Mount Barker Co-operative shares - shareholding of 8,099 shares at cost	<u>4,692</u>	<u>4,692</u>
	<u><u>4,692</u></u>	<u><u>4,692</u></u>
5. Inventories		
Current		
Fuel and Materials	<u>65,107</u>	<u>52,789</u>
	<u><u>65,107</u></u>	<u><u>52,789</u></u>
6. Property, Plant and Equipment		
Land and Buildings - Cost	16,276,861	14,149,428
Less Accumulated Depreciation	<u>(3,016,484)</u>	<u>(2,665,491)</u>
	13,260,377	11,483,937
Land and Buildings - Work in Progress - Cost	<u>0</u>	566,753
	0	566,753
Furniture and Equipment - Cost	940,036	849,463
Less Accumulated Depreciation	<u>(726,736)</u>	<u>(632,313)</u>
	213,300	217,150
Plant and Equipment - Cost	7,940,356	7,394,236
Less Accumulated Depreciation	<u>(3,427,199)</u>	<u>(3,165,589)</u>
	4,513,157	4,228,647
	<u><u>17,986,834</u></u>	<u><u>16,496,487</u></u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

6. Property, Plant and Equipment (Continued)

Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land & Buildings \$	Work In Progress (L & B) \$	Furniture & Equipment \$	Plant & Equipment \$	Total \$
Balance at 1 July 2010	11,483,937	566,753	217,150	4,228,647	16,496,488
Additions	1,574,748	0	99,423	1,329,327	3,003,498
Disposals	(3,528)	0	(1,010)	(307,811)	(312,349)
Impairment - (losses)/reversals	0	0	0	0	0
Depreciation expense	(340,507)	0	(102,263)	(737,006)	(1,179,777)
Amortisation expense	(12,182)	0	0	0	(12,182)
Other Movements	557,909	(566,753)	0	0	(8,844)
Carrying amount at 30 June 2011	<u>13,260,377</u>	<u>0</u>	<u>213,300</u>	<u>4,513,157</u>	<u>17,986,834</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

7. Infrastructure	2011 \$	2010 \$
Roads - Cost	88,146,383	86,080,457
Less Accumulated Depreciation	<u>(44,427,158)</u>	<u>(41,983,765)</u>
	43,719,226	44,096,692
Drains - Cost	1,130,976	1,111,106
Less Accumulated Depreciation	<u>(38,152)</u>	<u>(23,113)</u>
	1,092,823	1,087,993
Footpaths - Cost	680,820	542,557
Less Accumulated Depreciation	<u>(32,214)</u>	<u>(18,646)</u>
	648,606	523,911
Parks & Ovals - Cost	489,479	469,685
Less Accumulated Amortisation	<u>0</u>	<u>0</u>
	489,479	469,685
Recreation Facilities - Cost	1,325,914	1,274,168
Less Accumulated Amortisation	<u>(802,224)</u>	<u>(733,787)</u>
	523,690	540,381
	<u>46,473,824</u>	<u>46,718,663</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

7. Infrastructure (Continued)

Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Roads \$	Footpaths \$	Drainage \$	Parks & Ovals \$	Recreation Facilities \$	Total \$
Balance at 1 July 2010	44,096,692	523,912	1,087,993	469,685	540,382	46,718,663
Additions	2,065,926	138,262	19,869	19,794	41,784	2,285,636
Disposals	0	0	0	0	0	0
Impairment - (losses)/reversals	0	0	0	0	0	0
Depreciation expense	(2,443,393)	(13,568)	(15,039)	0	0	(2,471,999)
Amortisation expense	0	0	0		(67,319)	(67,319)
Other Movements	0	0	0	0	8,844	8,844
Carrying amount at 30 June 2011	<u>43,719,225</u>	<u>648,606</u>	<u>1,092,823</u>	<u>489,479</u>	<u>523,691</u>	<u>46,473,824</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

	2011	2010
	\$	\$
8. Trade and Other Payables		
Current		
Sundry Creditors	173,158	247,311
Other Creditors	43,973	35,187
GST Payable	145	0
ESL Liability	(577)	29,872
Accrued Interest on Debentures	3,192	40,169
Accrued Salaries and Wages	74,376	57,552
	<u>294,267</u>	<u>410,091</u>
9. Long-Term Borrowings		
Current		
Secured by Floating Charge		
Debentures	142,639	278,941
	<u>142,639</u>	<u>278,941</u>
Non-Current		
Secured by Floating Charge		
Debentures	2,346,307	4,495,296
	<u>2,346,307</u>	<u>4,495,296</u>
Additional detail on borrowings is provided in Note 21.		
10. Provisions		
Current		
Provision for Annual Leave	325,680	332,580
Provision for Long Service Leave	262,758	216,961
	<u>588,438</u>	<u>549,541</u>
Non-Current		
Provision for Long Service Leave	58,642	64,907
	<u>58,642</u>	<u>64,907</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

	2011 \$	2011 Budget \$	2010 \$
11. Reserves - Cash Backed			
(a) Employee Entitlements Reserve			
Opening Balance	5,461	5,461	5,255
Amount Set Aside / Transfer to Reserve	5,702	5,122	206
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>11,163</u>	<u>10,583</u>	<u>5,461</u>
(b) Plant Replacement Reserve			
Opening Balance	213,461	213,461	109,175
Amount Set Aside / Transfer to Reserve	405,938	406,342	104,286
Amount Used / Transfer from Reserve	<u>(525,000)</u>	<u>(525,000)</u>	<u>0</u>
	<u>94,398</u>	<u>94,803</u>	<u>213,461</u>
(c) Town Drainage Reserve			
Opening Balance	62,983	62,982	60,604
Amount Set Aside / Transfer to Reserve	25,570	21,112	2,379
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>88,553</u>	<u>84,094</u>	<u>62,983</u>
(d) Great Southern Regional Cattle Saleyards Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	21,342	20,155	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>21,342</u>	<u>20,155</u>	<u>0</u>
(e) Land Rehabilitation Reserve			
Opening Balance	0	0	43,851
Amount Set Aside / Transfer to Reserve	0	0	1,721
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(45,573)</u>
	<u>0</u>	<u>0</u>	<u>0</u>
(f) Kendenup Hall and Grounds Reserve			
Opening Balance	1,933	1,932	1,860
Amount Set Aside / Transfer to Reserve	0	0	73
Amount Used / Transfer from Reserve	<u>(1,933)</u>	<u>(1,932)</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>1,933</u>
(g) New Waste Disposal Site Reserve			
Opening Balance	184,830	184,829	6,833
Amount Set Aside / Transfer to Reserve	33,748	22,963	180,268
Amount Used / Transfer from Reserve	<u>0</u>	<u>(47,727)</u>	<u>(2,272)</u>
	<u>218,578</u>	<u>160,065</u>	<u>184,830</u>
(h) Recreation Facilities Reserve			
Opening Balance	31,072	31,072	29,898
Amount Set Aside / Transfer to Reserve	0	0	1,174
Amount Used / Transfer from Reserve	<u>(31,072)</u>	<u>(31,072)</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>31,072</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

	2011 \$	2011 Budget \$	2010 \$
11. Reserves - Cash Backed (continued)			
(i) Computer Software/Hardware Upgrade Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	21,342	20,155	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>21,342</u>	<u>20,155</u>	<u>0</u>
(j) Kendenup Townsite Study Reserve			
Opening Balance	4,705	4,706	4,528
Amount Set Aside / Transfer to Reserve	0	0	178
Amount Used / Transfer from Reserve	<u>(4,705)</u>	<u>(4,706)</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>4,705</u>
(k) Outstanding Land Resumptions Reserve			
Opening Balance	17,400	17,401	7,121
Amount Set Aside / Transfer to Reserve	6,504	5,303	10,280
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>23,904</u>	<u>22,704</u>	<u>17,400</u>
(l) Shire Development and Building Improvements Reserve			
Opening Balance	119,577	119,576	141,164
Amount Set Aside / Transfer to Reserve	176,322	160,457	5,541
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(27,128)</u>
	<u>295,899</u>	<u>280,033</u>	<u>119,577</u>
(m) Natural Disaster Reserve			
Opening Balance	41,845	41,845	21,020
Amount Set Aside / Transfer to Reserve	24,151	20,791	20,825
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>65,996</u>	<u>62,636</u>	<u>41,845</u>
(n) Plantagenet Medical Centre Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	42,685	40,310	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>42,685</u>	<u>40,310</u>	<u>0</u>
Total Reserves	<u>883,861</u>	<u>795,538</u>	<u>683,267</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

11. Reserves - Cash Backed (continued)

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

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

Employee Entitlements Reserve

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

Plant Replacement Reserve

For the purchase of passenger vehicles and plant and machinery.

Town Drainage Reserve

For the planning and construction of major townsite drainage works.

Great Southern Regional Cattle Saleyard Reserve

For required capital improvements to the Saleyards.

Land Rehabilitation Reserve

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

Kendenup Hall and Grounds Reserve

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

New Waste Disposal Site Reserve

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

Recreation Facilities Reserve

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

Computer Software/Hardware Upgrade Reserve

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

Kendenup Townsite Study

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

Outstanding Land Resumptions Reserve

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

Shire Development and Building Improvements Reserve

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

Natural Disaster Reserve

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

Plantagenet Medical Centre Reserve

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

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

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

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

12. Reserves - Asset Revaluation	2011 \$	2010 \$
Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:		
Bushfire Equipment		
Balance as at 1 July 2010	79,200	79,200
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2011	79,200	79,200
Total Asset Revaluation Reserves	79,200	79,200

13. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

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

	2011 \$	2011 Budget \$	2010 \$
Cash and Cash Equivalents	2,074,958	490,818	1,724,249
(b) Reconciliation of Net Cash Provided by Operating Activities to Net Result			
Net Result	3,987,678	2,025,478	2,857,142
Amortisation	79,501	73,108	68,036
Depreciation	3,651,776	2,700,786	2,590,281
(Profit) / Loss on Sale of Asset	(79,647)	(63,279)	(41,630)
(Increase) / Decrease in Receivables	268,361	146,183	(508,900)
(Increase) / Decrease in Inventories	(12,318)	5,110	(4,232)
Increase / (Decrease) in Payables	(115,824)	48,982	146,989
Increase / (Decrease) in Employee Provisions	32,632	10,540	(381)
Grants / Contributions for the Development of Assets	(4,551,025)	(2,341,748)	(2,401,221)
Net Cash From Operating Activities	3,261,136	2,605,160	2,706,084

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

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

(c) Undrawn Borrowing Facilities	2011	2010
	\$	\$
Credit Standby Arrangements		
Bank Overdraft limit	500,000	500,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	10,000	10,000
Credit Card Balance at Balance Date	<u>0</u>	<u>(3,763)</u>
Total Amount of Credit Unused	<u>510,000</u>	<u>506,237</u>
Loan Facilities		
Loan Facilities - Current	142,639	278,941
Loan Facilities - Non-Current	<u>2,346,307</u>	<u>4,495,296</u>
Total Facilities in Use at Balance Date	<u>2,488,946</u>	<u>4,774,237</u>
Unused Loan Facilities at Balance Date	<u>28,415</u>	<u>69,135</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 2011.

(b) Operating Lease Commitments

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

Payable:

	2011	2010
	\$	\$
- not later than one year	11,327	30,201
- later than one year but not later than five years	<u>0</u>	<u>11,327</u>
	<u>11,327</u>	<u>41,528</u>

(c) Capital Expenditure Commitments

Contracted for:

- Capital expenditure project (Community Centre / Library)	158,344	713,103
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Payable:

- not later than one year	158,344	713,103
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Shire of Plantagenet
Notes to and Forming Part of the Financial Report
For the Year Ended 30 June 2011

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:

	2011	2010
	\$	\$
Non-Current Assets		
Plant and Equipment	1,325,914	1,274,168
Less: Accumulated Amortisation	<u>(802,224)</u>	<u>(733,787)</u>
	<u><u>523,690</u></u>	<u><u>540,381</u></u>

17. Total Assets Classified by Function and Activity

Governance	2,970,073	3,058,624
Law, Order, Public Safety	2,001,044	1,767,265
Health	24,655	18,881
Education and Welfare	74,927	85,059
Community Amenities	2,991,077	2,782,483
Recreation and Culture	3,757,628	2,192,312
Transport	45,460,654	45,708,596
Economic Services	3,234,663	3,337,164
Other Property and Services	3,945,936	3,698,012
Unallocated	<u>3,132,437</u>	<u>3,325,503</u>
	<u><u>67,593,094</u></u>	<u><u>65,973,900</u></u>

Shire of Plantagenet
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18. Financial Ratios	2011	2010	2009
Current Ratio	1.679	0.989	0.649
Untied Cash to Unpaid Trade Creditors Ratio	4.391	-0.021	0.026
Debt Ratio	0.051	0.088	0.094
Debt Service Ratio	0.065	0.065	0.061
Gross Debt to Revenue Ratio	0.279	0.556	0.563
Gross Debt to Economically Realisable Assets Ratio	0.118	0.244	0.287
Rate Coverage Ratio	0.325	0.366	0.327
Outstanding Rates Ratio	0.038	0.117	0.030

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	$\frac{\text{Rates outstanding}}{\text{Rates collectable}}$

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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-10 \$	Amounts Received \$	Amounts Paid \$	Balance 30-Jun-11 \$
Feral Pig Eradication Committee	17,318	0	0	17,318
Middleward BFB Funds	8,870	144	(9,014)	0
Contribution - Public Open Space	200,492	0	(32,500)	167,992
Contribution - Roadworks	8,631	0	0	8,631
Bonds - Planning Advertising	1,000	4,000	(2,000)	3,000
Bonds - Relocatable Dwelling	32,500	62,500	(17,500)	77,500
Bonds - Extractive Industries	10,000	0	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	4,000	3,132	(3,132)	4,000
Bonds - Parking	3,000	0	0	3,000
Bonds - Footpath	9,835	0	0	9,835
Bonds - Other	3,954	26,655	(26,093)	4,516
Bonds - Councillor Nomination	0	0	0	0
	<u>397,125</u>	<u>96,431</u>	<u>(90,239)</u>	<u>403,317</u>

20. Disposals of Assets - 2010/2011 Financial Year

The following assets were disposed of during the year:

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land and Buildings						
<i>Education & Welfare</i>						
Booth Street Kindergarten	3,528	0	0	0	(3,528)	0
Plant and Equipment						
<i>Governance</i>						
Toyota Aurion - Shire President	13,946	13,074	18,450	16,300	4,504	3,226
Volkswagen Passat - CEO	19,096	16,381	19,091	19,100	(5)	2,719
Toyota Hilux Dual Cab - MCS	12,261	17,794	24,545	24,500	12,285	2,206
<i>Health</i>						
Subaru Liberty - Environmental Health Officer	18,614	16,609	20,182	21,800	1,568	5,191
<i>Community Amenities</i>						
Mitsubishi Outlander - MDS	27,001	23,944	27,636	27,600	635	3,656
<i>Economic Services</i>						
Toyota Hilux 4x4 - Saleyards Manager	9,250	7,082	14,182	14,100	4,931	7,018
<i>Other Property & Services</i>						
Ford Utility - Workshop Supervisor	3,108	0	12,045	13,250	8,937	13,250
Ford Ranger 2WD Utility - Parks & Gardens	8,807	5,991	11,364	9,000	2,557	3,009
Toyota Kluger Wagon - MWS	17,796	14,626	27,273	27,200	9,477	12,574
Toyota Hilux Dual Cab - Engineering Technical Officer	9,581	8,383	25,000	20,000	15,419	11,617
Works Supervisor - Construction - Hilux	21,960	20,914	24,091	25,000	2,131	4,086
Works Supervisor - Maintenance - Hilux	22,022	20,920	22,727	20,000	706	(920)
Volvo Grader	62,462	62,462	63,000	60,000	538	(2,462)
Medium Hino Truck	38,383	73,500	53,182	71,750	14,799	(1,750)
Skid Steer Trailer	0	1,640	5,000	1,500	5,000	(140)
Mitsubishi Triton - Mechanic	23,524	0	24,227	0	703	0
Furniture and Fittings						
<i>Education and Welfare</i>						
Child Care Centre - Nilfisk Vacuum Cleaner	630	0	0	0	(630)	0
Child Care Centre - 4.5kg Clothes Dryer	228	0	0	0	(228)	0
Child Care Centre - Celeron Computer	0	0	0	0	0	0
Child Care Centre - Computer	0	0	0	0	0	0
Child Care Centre - Heater	0	0	0	0	0	0
Child Care Centre - Fridge	151	0	0	0	(151)	0
TOTAL	312,349	303,321	391,995	371,100	79,647	63,279

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21. Information On Borrowings

(a) Repayments - Debentures

Particulars	Principal 01-Jul-10 \$	Principal Repayments		Principal 30-Jun-11		Interest Repayments	
		Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance							
New Administration Centre (90)	2,282,784	98,789	98,789	2,183,995	2,183,995	132,951	133,078
Health							
Medical Centre (92)	180,000	20,000	20,000	160,000	160,000	0	0
Medical Centre (89)	117,886	119,175	5,103	0	116,584	2,950	7,578
Recreation and Culture							
*Mount Barker Golf Club (86)	3,209	1,554	1,554	1,655	1,655	176	182
*Mount Barker Golf Club (91)	158,530	15,235	15,235	143,295	143,295	11,302	11,345
Economic Services							
Cattle Yards (83)	135,109	135,109	26,699	0	108,410	8,847	8,510
Cattle Yards (84)	908,355	908,355	70,262	0	838,093	87,948	62,020
Cattle Yards (89)	988,364	987,075	41,289	0	943,273	58,669	61,346
	4,774,237	2,285,291	278,931	2,488,946	4,495,305	302,844	284,059

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.

In December 2010, the State Government announced that it would deliver on a major election commitment and invest \$21.5 million towards developing and modernising three key regional saleyards. The State provided \$2.3 million to the Shire to clear debt from its saleyards and provide a solid business basis for the yard's future. As a result of this, loans 83, 84 and 89 were paid off. All other loan repayments were financed by general purpose revenue.

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21. Information On Borrowings (Cont'd)

(b) New Debentures - 2010/2011

The Council did not take out any new debentures during the 2010/2011 financial year.

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-10 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-11 \$
Remedial Works Saleyards (89)	April 2005	69,135	0	(40,720)	28,415
		69,135	0	(40,720)	28,415

While Loan No. 89 was fully repaid to the WATC during the year, a sum of \$28,415 remains unspent from this debenture as a part of internal spending controls. This sum is expected to be fully spent during 2011/2012.

(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 2010 and 30 June 2011 was \$Nil.

Shire of Plantagenet
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22. Rating Information - 2010/2011 - 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 \$
General Rate											
GRV - Mount Barker Townsite	8.72040	857	8,760,886	763,984	4,437	0	768,422	780,047	4,000	0	784,047
GRV - Strata Title	8.72040	3	24,856	2,168	380	0	2,547	1,424	0	0	1,424
GRV - Rural Townsites	8.72040	192	1,551,984	135,339	(49)	0	135,290	142,332	1,000	0	143,332
GRV - Rural	8.72040	63	1,451,008	126,534	(602)	(244)	125,688	128,683	0	0	128,683
UV - Rural	0.49127	1,422	618,828,000	3,040,116	3,445	0	3,043,562	3,055,095	10,000	0	3,065,095
Sub-Totals		2,537	630,616,734	4,068,141	7,611	(244)	4,075,508	4,107,580	15,000	0	4,122,580
Minimum Rates	Minimum \$										
GRV - Mount Barker Townsite	550	148	757,814	81,400	0	0	81,400	63,250	0	0	63,250
GRV - Strata Title	550	89	179,900	48,950	0	0	48,950	48,950	0	0	48,950
GRV - Rural Townsites	550	335	1,019,253	184,250	1,100	0	185,350	175,450	0	0	175,450
GRV - Rural	550	11	54,972	6,050	0	0	6,050	3,850	0	0	3,850
UV - Rural	550	165	14,970,400	90,750	0	0	90,750	75,350	0	0	75,350
UV - Mining	550	8	84,476	4,400	(1,669)	(525)	2,206	5,500	0	0	5,500
Sub-Totals		756	17,066,815	415,800	(569)	(525)	414,706	372,350	0	0	372,350
Totals				4,483,941			4,490,214				4,494,930

Shire of Plantagenet
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23. Specified Area Rate - 2010/11 Financial Year

There were no specified area rates levied in the 2010/11 financial year.

24. Service Charges - 2010/11 Financial Year

There were no service charges levied in the 2010/11 financial year.

25. Discounts, Incentives, Concessions and Write-Offs - 2010/11 Financial Year

	Type	Disc %	Total Cost / Value \$	Budget Cost / Value \$
Rate Assessment	Write-Off	N/A	5,983	0

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

26. Interest Charges and Instalments - 2010/11 Financial Year

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00	N/A	60,320	40,000
Interest on Instalment Plans	5.50	N/A	13,649	13,500
Charges on Instalment Plans	N/A	5.00	11,520	9,000
			85,489	62,500

Ratepayers had the option of paying rates in four equal instalments, due on 18 August 2010, 20 October 2010, 5 January 2011 and 9 March 2011. Administration charges and interest applied for the final three instalments.

27. Fees and Charges	2011 \$	2010 \$
General Purpose Funding	26,638	24,759
Governance	7,487	7,580
Law, Order, Public Safety	18,317	15,601
Health	70,597	45,628
Education and Welfare	252	244
Community Amenities	649,923	559,869
Recreation and Culture	177,110	169,895
Transport	418	364
Economic Services	897,942	691,363
Other Property and Services	263,360	475,633
	<u>2,112,044</u>	<u>1,990,935</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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28. Grant Revenue

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

	2011	2010
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	2,383,741	2,378,004
Non-Operating Grants, Subsidies and Contributions	<u>4,660,042</u>	<u>2,619,044</u>
	<u><u>7,043,783</u></u>	<u><u>4,997,048</u></u>
By Program:		
Governance	125,561	55,602
General Purpose Funding	1,419,060	1,332,967
Law, Order, Public Safety	576,622	648,725
Health	0	180,805
Education and Welfare	3,705	3,508
Community Amenities	1,837	63,244
Recreation and Culture	996,633	523,067
Transport	1,398,537	1,938,780
Economic Services	2,521,373	232,292
Other Property and Services	456	18,058
	<u><u>7,043,783</u></u>	<u><u>4,997,048</u></u>

29. Councillors' Remuneration

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

	2011	2011	2010
	\$	Budget	\$
		\$	
President's Allowance	6,170	5,610	4,480
Deputy President's Allowance	1,589	1,403	1,120
Elected Members' Sitting Fees	71,166	70,000	69,704
Travelling Allowance	1,560	8,000	7,512
Councillors Incidental Expenses	9,437	12,500	12,833
Conferences & Training	17,324	20,000	15,012
	<u>107,246</u>	<u>117,513</u>	<u>110,661</u>

30. Employee Numbers

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

	2011	2010
	<u>53</u>	<u>53</u>

Shire of Plantagenet
Notes to and Forming Part of the Financial Report
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31. Major Land Transactions

The Council did not participate in any major land transactions during the 2010/2011 financial year.

32. Trading Undertakings and Major Trading Undertakings

The Great Southern Regional Cattle Saleyards	2011 \$	2011 Budget \$	2010 \$
Number of Cattle Sold	74,899	60,000	67,786
Operating Revenue			
Agent Contributions	81,961	60,000	67,283
Entry Fees	12,000	12,800	12,800
Saleyard Weigh & Pen Fees	524,511	450,000	428,996
Other Operating Income	10,441	4,500	5,573
Avdata Income	18,687	18,750	15,920
NLIS Tagging	15,520	12,500	10,583
Hay Feeding	63,396	18,000	17,222
Stock Removal	5,193	3,000	2,574
Sale of Manure	3,572	4,500	4,237
Shippers / Private Weigh	23,221	20,000	14,608
Profit on Sale of Assets	4,931	7,018	9,000
	<u>763,433</u>	<u>611,068</u>	<u>588,795</u>

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

The Great Southern Regional Cattle Saleyards	2011 \$	2011 Budget \$	2010 \$
Operating Expenditure			
Conferences & Training	307	4,000	499
Workers Compensation Insurance	6,038	6,013	6,095
Salaries	183,580	185,000	163,109
Superannuation	15,432	15,566	14,708
Uniforms, Clothing & Accessories	992	2,400	2,134
Medicals & Vaccinations	592	250	0
Travel & Accommodation	0	1,000	386
Telephone	3,188	3,000	2,953
Computer Equipment Maintenance	9,226	8,000	8,027
Other Operating Costs - Office	8,077	1,000	0
Insurances	31,492	27,000	24,865
Promotional Material & Public Relations	16,942	15,000	12,574
Water Monitoring	3,894	10,000	10,565
Licence Fees	1,452	2,000	1,493
Other Operating Costs - Other	7,820	5,000	4,095
Feed Purchases	6,374	3,000	1,550
Tools & Sundry	0	2,000	772
NSQA Expenses	0	5,000	0
Survey of Groundwater Bores	0	0	0
Environmental Services	4,797	5,000	0
Admin Services Allocation	56,976	55,316	51,920
Depreciation - Furniture & Fittings	16,575	20,806	21,028
Depreciation - Land and Buildings	86,408	86,329	86,353
Depreciation - Plant, Machinery & Equip	5,639	6,537	6,537
Loss on Sale of Assets	0	0	0
Annual Leave Accrual	(245)	0	(494)
Long Service Leave Accrual	241	0	12
Building Maintenance	3,114	10,000	9,984
Building Operating	32,257	28,600	17,972
Grounds Maintenance	58,179	45,000	31,124
Motor Vehicle Allocations	9,042	7,000	6,544
Loan No. 83 - Saleyards	8,847	8,510	9,708
Loan No. 84 - Saleyards	87,948	62,020	65,327
Loan No. 89 - Saleyards	58,669	61,316	61,431
Total Operating Expenditure	723,853	691,662	621,271
Operating Profit / (Loss)	39,580	(80,594)	(32,475)

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:

	Carrying Value		Fair Value	
	2011	2010	2011	2010
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	2,074,957	1,428,440	2,074,957	1,428,440
Receivables	987,679	1,272,830	987,679	1,272,830
Available for Sale Financial Assets (Shares)	4,692	4,692	4,692	4,692
	<u>3,067,328</u>	<u>2,705,962</u>	<u>3,067,328</u>	<u>2,705,962</u>
Financial Liabilities				
Payables	294,267	410,091	294,267	410,091
Borrowings	2,488,946	4,774,237	2,410,006	4,722,605
	<u>2,783,213</u>	<u>5,184,328</u>	<u>2,704,273</u>	<u>5,132,696</u>

Fair value is determined as follows:

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

(a) Cash and Cash Equivalents

Available-for-sale financial assets

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

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

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

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

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

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)

	30-Jun-11	30-Jun-10
	\$	\$
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	30,549	27,100
- Statement of Comprehensive Income	30,549	27,100

Notes:

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

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

(+) Maximum impact.

(b) Receivables

The Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk - the risk that the debts may not be repaid. The Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

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

The level of outstanding receivables is monitored for acceptable collection performance. The Council makes suitable provision for doubtful receivables as required.

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

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

	30-Jun-11	30-Jun-10
Percentage of Rates and Annual Charges		
- Current	19.33%	0.14%
- Overdue	80.67%	99.86%
Percentage of Other Receivables		
- Current	80.98%	86.39%
- Overdue	19.02%	13.61%

Shire of Plantagenet
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33. Financial Risk Management (Continued)

(c) Payables

Borrowings

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

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

	Due Within One Year \$	Due Between One & Five Years \$	Due After Five Years \$	Total Contractual Cash Flows \$	Carrying Values \$
<u>2011</u>					
Payables	294,267	0	0	294,267	294,267
Borrowings	<u>280,182</u>	<u>1,113,785</u>	<u>2,199,958</u>	<u>3,593,925</u>	<u>2,488,946</u>
	<u><u>574,449</u></u>	<u><u>1,113,785</u></u>	<u><u>2,199,958</u></u>	<u><u>3,888,192</u></u>	<u><u>2,783,213</u></u>
<u>2010</u>					
Payables	410,091	0	0	410,091	410,091
Borrowings	<u>562,959</u>	<u>2,229,025</u>	<u>4,226,538</u>	<u>7,018,523</u>	<u>4,774,237</u>
	<u><u>973,050</u></u>	<u><u>2,229,025</u></u>	<u><u>4,226,538</u></u>	<u><u>7,428,614</u></u>	<u><u>5,184,328</u></u>

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

(c) Borrowings (Continued)

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

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

	<1 Year \$	>1<2 Years \$	>2<3 Years \$	>3<4 Years \$	>4<5 Years \$	>5 Years \$	Total \$	Weighted Average Effective Interest Rate %
<u>Year Ended 30 June 2011</u>								
Borrowings								
Fixed Rate								
Debentures	1,656	0	0	0	0	2,487,290	2,488,946	5.53%
Weighted Average Effective Interest Rate	6.45%	N/A	N/A	N/A	N/A	5.53%	5.53%	
<u>Year Ended 30 June 2010</u>								
Borrowings								
Fixed Rate								
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%	

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34. Comparative Figures

The 2010 comparative figures were changed for the following reasons:

In 2010, the Saleyards business unit purchased a skid steer loader from the Works Department. This resulted in an effective revaluation of that asset, which was subsequently found to be contrary to Accounting Standard AASB 116. The new asset was deleted, however the values of the original asset were not accurately reinstated.

This affected the 2010 comparatives as follows:

	<u>By</u> \$	<u>From</u> \$	<u>To</u> \$
Note 6 Property, Plant and Equipment:			
Increased Carrying Amount - Plant and Equipment	71,441	7,322,795	7,394,236
Increased Accumulated Depreciation - Plant and Equipment	(71,441)	(3,094,148)	(3,165,589)



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