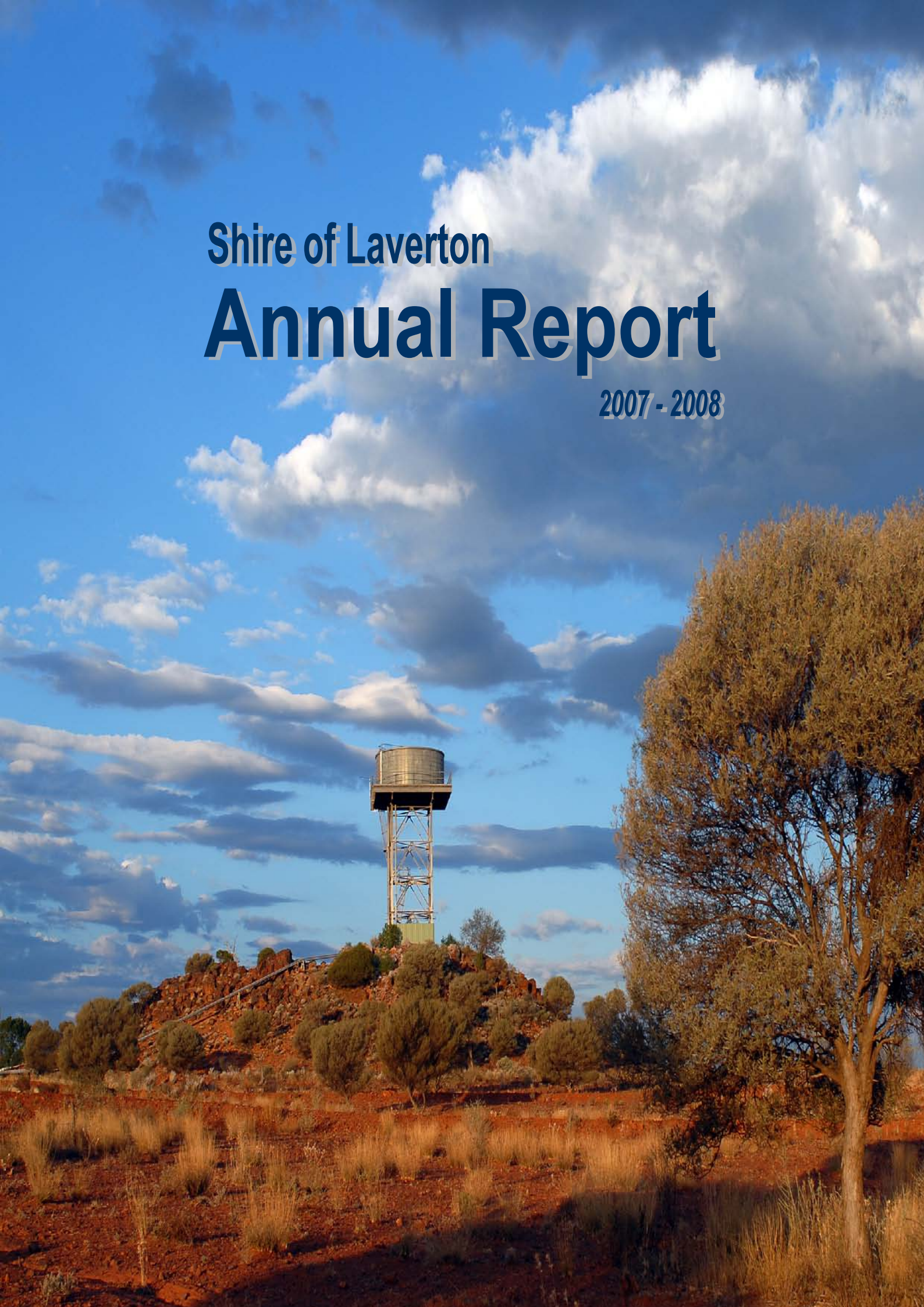
Shire of Laverton

Annual Report

2007 - 2008



SHIRE OF LAVERTON

MacPherson Place, LAVERTON WA 6440

PO Box 42, LAVERTON WA 6440

ABN 50 942 408 557

Ph: 08 9031 1202 Fax: 08 9031 1340

E-mail: reception@laverton.wa.gov.au

Web: www.laverton.wa.gov.au

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MINUTES OF THE ANNUAL MEETING OF ELECTORS OF THE SHIRE OF LAVERTON HELD IN THE SHIRE HALL, MACPHERSON PLACE, LAVERTON ON MONDAY 21 APRIL 2008 AT 5. 00 PM

1. ATTENDANCE AND APOLOGIES

1.1 Attendance

Shire President:	Cr P. Wilson
Member:	Cr R. Prentice
Member:	Cr P. Hill
Member:	Cr R. Ryles
Staff:	Mr S Deckert (Chief Executive Officer)
	Mr J Robartson (A/Accountant)
	Mrs S Mills (Senior Admin Officer)

Electors:

Deanne Prior	Steve Prior
Keryn Deckert	Lily Stone
Marie Edmond	Laurinda Hill

1.2 Apologies

Member:	Cr S Weldon
Public:	Rosemary Street

2. CONFIRMATION OF MINUTES

Moved by Cr P Wilson, seconded by Cr P Hill, that the Minutes of the last meeting of Electors held 6 November 2006, be received.

CARRIED

3. RECEIVAL OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2007:

3.1 The Receiving of the Shire President's Report

The Shire President spoke on his report and gave a brief summary to the meeting.

Moved by Cr R Ryles, seconded by Cr R Prentice, that the President's Report for the year ended 30 June 2007 as presented be received.

CARRIED

3.2 The Reading of the Acting Chief Executive Officer's Report

The Acting Chief Executive Officer's report was presented to the meeting.

Moved by Cr R Prentice, seconded by Cr R Ryles, that the Acting Chief Executive Officer's Report for the year ended 30 June 2007 as read be received.

CARRIED

3.3 Receival of the Financial Report for 2006/2007

Moved by Cr P Hill, seconded by Cr R Ryles, that the Financial Report for the year ended 30 June 2007 be received.

CARRIED

3.4 The Reading of the Independent Auditor's Report

Moved by Cr R Ryles, seconded by Cr R Prentice, that the Independent Auditors Report for the year ended 30 June 2007 as read, be received.

CARRIED

4. OTHER BUSINESS

Cr Patrick Hill advised the meeting that the Outback Highway Integrated Tourism Council were looking at instigating a program whereby travellers of the Great Central Road would be encouraged to purchase a tree or sticker for approximately $25.00 to help pay for carbon emissions used whilst travelling on the Great Central Road

Cr Patrick Hill asked the CEO if he could make comment on the Auditors report. Steven Deckert the CEO responded by commenting that the Auditors report highlighted a lack of staff and staff with experience. He said with the pending appointment of a Manager of Finance and Community Services would give the Shire direction and finance experience which should reflect in next years Audit Report.

3. CLOSURE OF MEETING

There being no further business, the meeting closed at 5:35 pm.

THREE YEAR SUMMARY OF KEY STATISTICS

	2007/08	2006/07	2005/06
Total Number of Residents	760	2069	2069
Total Number of Rateable Properties	1099	1098	1064
Rates Levied	$1,806,302	$1,547,835	$1,437,781
Minimum General Residential Rate	$195	$195	$190
Minimum General Commercial Rate	$195	$195	$190
Minimum General Pastoral Rate	$195	$195	$190
Minimum General Mining Rate	$195	$195	$190
Operating Revenue	$8,533,284	$10,708,999	$6,576,204
General Purpose Funding	$3,496,723	$3,236,754	$3,015,742
Debt Servicing Ratio	0.011	0.012	0.020
Total Number of Employees (full time)	25	27	27
Building Applications Approved	10	11	1
Value of Building Applications Approved	$12,154,280	$4,857,282	$17,000

PRESIDENT'S REPORT

I have much pleasure in presenting my first Annual Report as Shire President to the residents and ratepayers of the Shire of Laverton.

The Report covers the 12 months commencing 1 July 2007 to 30 June 2008 however as I was not elected as the Shire President until October 2007 I cannot comment specifically on the first part of the year.

During the year three Councillors resigned, the CEO retired and the Deputy CEO and Manager Engineering Services left the Shire to take up positions elsewhere. This put an enormous amount of pressure on the remaining Elected Members and staff to continue the day to day running of the Shire. To their credit they managed admirably until eventually all positions were filled. By year end the shire was back at full strength with Councillors Rob Wedge, Deanne Prior and Vanessa Thomas being elected and Steven Deckert, Rose Jones and Peter Crawford appointed respectively as CEO, Deputy CEO and Manager Engineering Services. All have been working diligently for the betterment of the Shire since taking up their respective roles.

The Shire has busy times ahead with:

- Extra infrastructure funding through the Royalties for Regions initiative;
- Facilitating long-term strategies to overcome indigenous issues such as substance abuse, anti-social behaviours and itinerant camping;
- A major housing project to build a total of 13 houses, 10 for Police and Education staff and 3 houses for Shire staff;
- Townsite expansion planning for residential land and mining accommodation;
- A 5 year infrastructure plan for the town of Laverton.

A must for our future is the continual liaison with mining companies to ensure growth, employment and stability for Laverton.

I sincerely thank all Councillors and staff for their assistance when called upon during the year.

Respectfully,

CR PETER WILSON
SHIRE PRESIDENT

ELECTED MEMBER'S REPORT

Councillors		**Term Expires**
President:	Cr PD (Peter) Wilson	2011
Deputy President:	Cr PJ (Patrick) Hill	2009
Country Ward		
Cr S (Sue) Long		2007
Cr S (Sven) Svenson		2007
Cr K (Karyn) Vincent		2009
Cr S (Shaneane) Weldon		2009
Cr V (Vanessa) Thomas		2011
Cr PD (Peter) Wilson		2011
Town Ward		
Cr G (Gary) Kenny (Until March 2008)		2009
Cr PJ (Patrick) Hill		2009
Cr RE (Robin) Prentice		2009
Cr D (Deanne) Prior		2009
Cr R (Rex Ryles)		2011
Cr RM (Robert) Wedge		2011

Attendance at Council Meetings

There were 12 Ordinary Meetings of Council held between 1 July 2007 and 30 June 2008 and 3 Special Meetings of Council. A breakdown of councillor's presence at these meetings is detailed in the table below.

Councillors	Ordinary Council	Special Meetings
Cr PD Wilson	9	2
Cr PJ Hill	11	2
Cr RM Wedge	7	1
Cr R Ryles	6	2
Cr D Prior	2	0
Cr RE Prentice	12	3
Cr V Thomas	1	0
Cr S Weldon	9	1
Cr K Vincent	7	0
Cr G Kenny	8	3
Cr S Svenson	9	3
Cr S Long	1	0

CHIEF EXECUTIVE OFFICER'S REPORT

I am pleased to present my annual report to the residents of Laverton. It should be noted that I commenced duties as CEO during the last quarter of the year under review, so I will, by necessity focus on what has occurred since then.

During the year under review staffing has been the greatest challenge for both Council and myself as CEO since my commencement. The four most senior staff positions of Chief Executive Officer, Deputy Chief Executive Officer/Accountant, Manager Engineering Services and Community Development Officer have all been vacant for extended periods of time and/or temporarily covered by contractors. When I commenced at the beginning of April 2008, I was the only senior staff member, so my initial focus was on filling the vacant positions with capable staff. I am pleased to report that by the end of the reporting period, all positions had either been filled or appointments were not far off. These appointments included Peter Crawford as Manager Engineering Services, Daphne Crawford as Community Development Officer and Rose Jones as Deputy CEO.

During 2007/08 the Shire experienced a turnover of staff of 53% across the entire organisation. This high level of turnover inhibits the Shire's ability to implement initiatives and impacts dramatically on the Shire's service delivery, statutory compliance and even keeping up with the day to day operations. It is vitally important for Council that it focuses on the recruitment and retention of competent senior officers if it wishes to meet the challenges that lay ahead for the Shire.

I would like to take this opportunity to acknowledge the service of the following senior staff who departed during the year: Barrye Thompson, CEO; Tanya Browning, DCEO; Greg Harris, MES and Callum Ingram, CDO. To all the other staff that worked for Shire during the year, whether still here or have since departed, I would like to thank you for your efforts and commitment during the year.

The Shire ended the year in a sound financial position with a surplus of $1,538,445. This is largely due to the fact that senior positions remained vacant for extended periods during the year, meaning a number of initiatives within the Adopted Budget were either not started, or if they had, had not been completed by year end. The surplus will be carried forward to 2008/09 and provide a sound base to commence the new financial year. Council continues to set aside monies in the Reserve fund for future projects. At year end Reserves amounted to $1,212,457. Also, Council has historically maintained a low level of borrowings and as at 30 June 2008, the outstanding loan balance was $146,421.

The Independent Auditor's Report as presented in this Annual Report indicates general compliance in respect to our statutory financial reporting, however noted some "adverse trends" in the financial management of the Shire. The Auditor's comments were expected, based on the fact that a number of the matters were raised the previous year and obviously with the senior finance position vacant for extended periods, that reversing of the trend was unlikely. It is anticipated that with the commencement of the Deputy Chief Executive Officer in late July 2008 and stable staff that there will be considerable improvement by this time next year.

For more detailed information regarding the Shire's financial performance for the Year Ended 30 June 2008, please refer to the audited Financial Statements that appear in this Annual Report.

The next financial year and beyond presents a number of challenges. The downturn in the world economy is being felt here in Laverton however the Shire has an optimistic long-term outlook with a number of positive initiatives being considered. This bodes well for some exciting times ahead for the Shire and all residents.

In the relatively short time that I have been back in Laverton as CEO, I would like to thank Shire President Peter Wilson and all Councillors for their support and assistance provided to myself and my staff and I look forward to our continued excellent working relationship into the future.

STEVEN DECKERT
CHIEF EXECUTIVE OFFICER

PLAN FOR THE FUTURE

Effective from 1 July 2006, section 5.56 of the Local Government Act 1995 replaced the need for a Principal Activity Plan with the requirement for a Plan for the Future. This was however not mandatory for the 2005/06 year and therefore became a requirement for 2006/07 onwards.

Section 5.53(e) of the Local Government Act 1995, requires the local government to include in its Annual Report on overview of the Plan for the Future including major initiatives planned to commence or continue in the next year. Unfortunately and while it would have been good practise to adopt the Plan for the Future some time after 1 July 2005, this in both the succeeding two financial years has not been tackled due to continuing administrative difficulties.

Consequently, the Shire operated under the auspices of its existing Principal Activities Plan which had previously been identified for the period 1 July 2003 to 30 June 2007. Major activities undertaken for 2007/08 are as follows:

Major Expenditure 2007/08

Major Capital Works

- Old Laverton Road $ 462,618
- Great Central Road $2,053,281

Plant and Vehicle Replacement

- Mack Fleetliner Prime Mover $ 212,000

Other Works

- Outback Way Tourism Pan $ 401,636
- Rural Road Maintenance $ 638,726

Councillor's Remuneration

The following fees, expenses and allowances were paid to Council members and the President.

Fees, Expenses & Allowances	2007/08	2007/08 Budget	2006/07
Meeting Fees	$ 6,936	$16,000	$10,350
President's Allowance	$ 4,545	$ 5,000	$ 5,000
Deputy President's Allowance	$ 1,136	$ 1,250	$ 1,321
Travelling Expenses	$ 6,280	$ 6,000	$ 5,649
Telecommunications Allowance	$ 1,326	$ 2,000	$ 1,615
TOTAL	**$20,223**	**$30,250**	**$23,935**

NATIONAL COMPETITION POLICY

Background to Competition Reform

In 1995 the Council of Australian Government entered into a number of agreements collectively known as the National Competition Policy.

The Competition Principles Agreement (CPA) is an agreement between the Commonwealth and State Governments that stipulates the manner in which governments will apply competition policy principles to public sector organisations under their jurisdiction. Local governments are not a signatory to the CPA however they are bound to apply the same competition principles to their activities and functions by virtue of Clause 7 of the agreement. Clause 7 obliges the State Government, in consultation with local government, to apply the following competition principles to local government activities and functions:

- competitive neutrality;
- structural reform of public monopolies;
- legislation review.

Reporting Requirements

Local governments are required by the Clause 7 Statement to report on the progress of the implementation of these competition principles that are applied to local government. The Clause 7 Statement also sets time limits within which these competition principles must be implemented.

The first requirement to be met by the Shire of Laverton was to include in its annual report for the 1996/97 financial year was an implementation agenda for competitive neutrality and legislation review. The second requirement is to provide a report on the progress made in implementing the competition principles.

Competitive Neutrality

The principles of competitive neutrality is that government businesses should not enjoy a competitive advantage merely as a result of their public sector ownership - local governments are required to identify any disadvantages that their significant businesses have and unless they can identify that the public benefit of the competitive advantage outweighs the costs, measures must be implemented to neutralise the competitive advantage.

This principle has been applied to the setting of come local government charges, although it is quite difficult to assess competitive advantage in remote areas where there is often no meaningful competition. Nethertheless, competitive neutrality only applies to business activities which generate user-pays-income of over $200,000.

In respect to the activities of the Shire of Laverton, There are no business activities which generate user-pays-income exceeding $200,000, therefore the Shire is not required to apply a "public benefit" test to any of its business activities.

Legislation Review

All local governments are required to assess which of their local laws might impact on competition and conduct a review of each to determine which should be reformed and which retained in the public sector interest.

In respect to the local laws of the Shire of Laverton:

- As at report date, local laws are being reviewed to ascertain their impact on competition.
- The outcome of this major review will result in the adoption of modern, up to date local laws, relevant to the operations of the Shire of Laverton, and will meet national competition policy requirements.
- A major review and the implementation of reforms, has been completed (Old Local Laws have been replaced and new Local Laws adopted comply with NCP Guidelines)
- The Clause 7 requirements of legislation review have been complied with.

Structural Reform

Before local government privatise a monopoly business activity or introduce competition into a sector dominated by a monopoly or near monopoly, the regulatory and commercial activities must be separated and a review must be undertaken.

Where applicable, all local governments in Australia must report their adherence to structural reform principles. There were no obligations for structural reform for the Shire of Laverton. Nethertheless, Council is committed to the principles of structural reform under National Competition Policy.

DISABILITY ACCESS AND INCLUSION PLAN

The Disability Services Act 1993 was amended in December 2004, creating a requirement for public authorities to develop and implement Disability Access and Inclusion Plans (DAIP). These Plans, to be fully developed by July 2007, replace and build on the achievements of Disability Services Plans (DSPs). A draft plan has been prepared and will be reviewed by Council.

Formal implementation of the six defined outcomes will take place after the plan is adopted by Council. However the following have been incorporated in the current operating practices of Council.

1. Council is continually adapting our existing services to give people with disabilities the same opportunities as other people to access the service of, and any events organised by the Shire.
2. Council also continues with the improvement to buildings and footpath infrastructure to assist both wheelchair and gopher access, i.e. upgrading of Town Hall and Post Office.
3. Wherever possible people with disabilities can receive information from the Shire in a format that will enable them to access the information as readily as other people are able to access it.
4. The staff are always encouraged to be aware of the needs of people with disabilities to ensure they receive the same level and quality of service as other people receive.
5. People with disabilities have the same opportunities as other people to make complaints to the staff, this can be via written letters, email, SMS or verbally.
6. Council provides many ways for people to participate in public consultation and we are more than happy to discuss any grievances community members may have regarding the services available to the disabled.

RECORD KEEPING

Background

The State Records Act 2000 is an Act to provide for the keeping of State records and for related purposes. Section 19 of the Act requires each government organisation to have a Record Keeping Plan that has been approved by the State Records Commission.

The purpose of a Record Keeping Plan is to set out which records are to be created by the organisation and how it is to keep those records. Record Keeping Plans are to provide an accurate reflection of the reflection of the record keeping program within the organisation, including information regarding the organisation's record keeping system(s), disposal arrangements, policies, practices and processes. The Record Keeping Plan is the primary means of providing evidence of compliance with the Act and that best practices have been implemented in the organisation. In accordance with Section 17 of the Act, the Shire of Laverton and all its employees are legally required to comply with the contents of this plan.

The Shire of Laverton has prepared a Record Keeping Plan and its objectives are to ensure:

- compliance with Section 19 of the State Records Act 2000,
- record keeping within the local government is moving toward compliance with State Records Commission Standards and Record Management Standard AS15489.
- Processes are in place to facilitate the complete and accurate record of business transaction and decisions,
- Recorded information can be retrieved quickly, accurately and cheaply when required,
- Protection and preservation of government records.

Minimum Compliance Requirements

The Record Keeping Plan is to provide evidence to address that:

1. From time to time (where necessary) an external consultant is brought to run a recordkeeping training session for staff. Staff are also encouraged to attend training courses outside the organisation whenever practicable.
2. Staff information sessions are conducted on a regular basis for staff as required.
3. The local government provides brochures or newsletters to publish recordkeeping information, highlight issues, or bring particular recordkeeping matters to staff attention.
4. The local government's Induction Program for new employees includes an introduction to the local government's recordkeeping system and program, and information on their recordkeeping responsibilities.

Electronic Records

Council is currently undertaking a review of its management of electronic records. The findings will form the basis of additions to the existing Record Keeping Plan.

SERVICES TO ABORIGINAL COMMUNITIES

The Shire of Laverton provides a wide range of local government services to all residents within the Shire.

Council acknowledges the Laverton aboriginal communities, being Mt Margaret, Mulga Queen, Cosmo Newberry and Wongatha Wonganarra, and recognises the special needs for these communities.

The following services are provided by the Shire of Laverton and are used or received by aboriginal community members to enhance their lifestyle and wellbeing.

- Road maintenance and improvements particularly the Great Central Road, Old Laverton Road and Bandya Road.
- Health services including sewerage and septic system inspections, general health inspections and sampling/testing of community water.
- Building services including the review of building plans for new buildings, alterations or extensions.
- Rubbish collection, at Wongatha Wonganarra Village.
- Dog control including the licensing of dogs and dealing with unwanted dogs.
- Removal and storage of vehicles, no longer serviceable or required.
- Laverton Cemetery.
- Laverton Aerodrome, which provides all-weather 24 hour sealed access for the Royal Flying Doctor Service.
- Laverton Swimming Pool.
- The Laverton Doctor.
- Provision of four television services and one FM Radio service within the Laverton townsite and surrounding area.
- Litter control - keeping the town centre and environs clean.
- Recreational facilities including oval, hall, parks and gardens
- Public conveniences.
- Contribution provision to Wongatha Patrol.
- Early voting facilities at Mt Margaret and Cosmo Newberry for any ordinary or extraordinary local government elections.
- Telecentre and Library facilities.

As can be seen above, the provision of services is extensive and varied and are widely used by all residents.

It is hoped that all residents appreciate the efforts of the Shire of Laverton in providing these services and facilities.

SHIRE OF LAVERTON

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

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SHIRE OF LAVERTON

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Laverton being the annual financial report and other information for the financial year ended 30th June 2008 and are in my opinion properly drawn up to present fairly the financial position of the Shire of Laverton at 30th June 2008 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and regulations under that Act.

Signed on the day of 2008.

Steven Deckert
Chief Executive Officer

SHIRE OF LAVERTON

INCOME STATEMENT

BY NATURE OR TYPE

FOR THE YEAR ENDED 30TH JUNE 2008

	NOTE	2008 $	2008 Budget $	2007 $
REVENUES FROM ORDINARY ACTIVITIES				
Rates	22	1,784,197	1,652,067	1,505,030
Grants and Subsidies	28	1,770,425	1,865,475	1,865,418
Contributions Reimbursements and Donations		189,340	198,203	433,531
Fees and Charges	27	392,059	618,248	664,412
Interest Earnings	2(a)	210,172	96,500	129,705
Other Revenue		101	100	31,230
		4,346,294	4,430,593	4,629,326
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(2,089,774)	(2,140,403)	(1,488,949)
Materials and Contracts		(733,097)	(1,179,708)	(519,410)
Utilities		(176,482)	(178,420)	(224,141)
Depreciation	2(a)	(1,706,354)	(1,708,498)	(1,697,439)
Interest Expenses	2(a)	-10,378	(113,568)	(12,583)
Insurance		(128,596)	(136,852)	(137,904)
Other Expenditure		(2,092,129)	(107,252)	(4,301,559)
		(6,936,810)	(5,564,701)	(8,381,985)
		(2,590,516)	(1,134,108)	(3,752,659)
Grants and Subsidies - non-operating	28	4,186,990	2,964,611	6,031,308
Profit on Asset Disposals	20	0	0	48,365
Loss on Asset Disposals	20	-58,029	0	-1,664
NET RESULT		1,538,445	1,830,503	2,325,350

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

SHIRE OF LAVERTON

INCOME STATEMENT

BY PROGRAM

FOR THE YEAR ENDED 30TH JUNE 2008

	NOTE	2008 $	2008 Budget $	2007 $
REVENUES FROM ORDINARY ACTIVITIES				
Governance		62,612	77,100	42,120
General Purpose Funding		3,496,723	3,307,122	3,236,754
Law, Order, Public Safety		42,826	60,100	8,799
Health		54,998	55,100	55,000
Education and Welfare		2,992	76,408	37,333
Housing		23,762	353,966	28,679
Community Amenities		53,040	47,454	47,507
Recreation and Culture		158,256	249,735	75,707
Transport		4,404,405	2,862,366	6,466,174
Economic Services		154,533	212,450	169,718
Other Property and Services		79,137	93,403	541,208
	2 (a)	8,533,284	7,395,204	10,708,999
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		(445,053)	(540,801)	(441,379)
General Purpose Funding		(118,598)	(118,842)	(96,946)
Law, Order, Public Safety		(75,423)	(86,252)	(46,090)
Health		(183,973)	(201,401)	(174,520)
Education and Welfare		(104,334)	(158,553)	(56,824)
Housing		(193,938)	(296,020)	(102,463)
Community Amenities		(324,840)	(374,342)	(250,077)
Recreation & Culture		(539,952)	(835,855)	(554,088)
Transport		(4,549,610)	(2,177,717)	(5,879,952)
Economic Services		(421,011)	(624,844)	(411,615)
Other Property and Services		(27,729)	(36,506)	(357,112)
	2 (a)	(6,984,461)	(5,451,133)	(8,371,066)
BORROWING COSTS EXPENSE				
Housing		-10,378	-113,568	-12,466
Transport		0	0	-117
	2 (a)	-10,378	-113,568	-12,583
NET RESULT		1,538,445	1,830,503	2,325,350

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

SHIRE OF LAVERTON

BALANCE SHEET

AS AT 30TH JUNE 2008

	NOTE	2008 $	2007 $
CURRENT ASSETS			
Cash and Cash Equivalents	3	2,363,250	2,330,449
Trade and Other Receivables	4	1,189,722	352,035
Inventories	5	35,432	43,986
TOTAL CURRENT ASSETS		3,588,404	2,726,470
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	5,615,033	6,110,411
Infrastructure	7	22,890,295	21,405,685
TOTAL NON-CURRENT ASSETS		28,505,328	27,516,096
TOTAL ASSETS		32,093,732	30,242,566
CURRENT LIABILITIES			
Trade and Other Payables	8	681,480	298,858
Short Term Borrowings	9	6,069	0
Long Term Borrowings	10	38,809	36,594
Provisions	11	156,591	191,138
TOTAL CURRENT LIABILITIES		882,949	526,590
NON-CURRENT LIABILITIES			
Long Term Borrowings	10	107,612	146,421
Provisions	11	3,654	8,483
TOTAL NON-CURRENT LIABILITIES		111,266	154,904
TOTAL LIABILITIES		994,215	681,494
NET ASSETS		31,099,517	29,561,072
EQUITY			
Retained Surplus		29,887,060	28,567,583
Reserves - Cash Backed	12	1,212,457	993,489
TOTAL EQUITY		31,099,517	29,561,072

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

SHIRE OF LAVERTON

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE 2008

	NOTE	2008 $	2007 $
RETAINED SURPLUS			
Balance as at 1 July 2007		28,567,583	26,464,617
Net Result		1,538,445	2,325,350
Transfer from/(to) Reserves		(218,968)	(222,384)
Balance as at 30 June 2008		29,887,060	28,567,583
RESERVES - CASH BACKED			
Balance as at 1 July 2007		993,489	771,105
Amount Transferred (to)/from Retained Surplus		218,968	222,384
Balance as at 30 June 2008	12	1,212,457	993,489
TOTAL EQUITY		31,099,517	29,561,072

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

SHIRE OF LAVERTON

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2008

	NOTE	2008 $	2008 Budget $	2007 $
Cash Flows From Operating Activities				
Receipts				
Rates		1,626,814	1,652,067	1,488,917
Grants and Subsidies - operating		1,770,425	1,865,475	1,861,431
Contributions, Reimbursements & Donations		189,340	198,203	433,531
Fees and Charges		336,958	889,152	526,388
Interest Earnings		210,172	96,500	129,705
Goods and Services Tax		489,242	450,000	439,761
Other		101	100	41,777
		4,623,052	5,151,497	4,921,510
Payments				
Employee Costs		(2,124,417)	(2,140,403)	(1,427,719)
Materials and Contracts		(1,077,442)	(1,351,820)	(740,007)
Utilities (gas, electricity, water, etc)		(176,482)	(178,420)	(224,141)
Insurance		(128,596)	(136,852)	(137,904)
Interest		(10,656)	-113,568	(12,583)
Goods and Services Tax		(382,338)	-450,000	(541,186)
Other		(2,093,165)	-107,252	(4,258,415)
		(5,993,096)	(4,478,315)	(7,341,955)
Net Cash Provided By (Used In) Operating Activities	13(b)	(1,370,044)	673,182	(2,420,445)
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(263,759)	(3,944,797)	(1,034,579)
Payments for Construction of Infrastructure		(2,610,861)	(3,271,864)	(3,753,177)
Grants/Contributions for the Development of Assets		4,186,990	2,964,611	6,031,308
Proceeds from Sale of Plant & Equipment		121,000	308,500	325,544
Net Cash Provided By (Used In) Investing Activities		1,433,370	(3,943,550)	1,569,096
Cash Flows from Financing Activities				
Repayment of Debentures		(36,594)	(96,396)	(43,515)
Proceeds from New Debentures		0	3,049,991	0
Net Cash Provided By (Used In) Financing Activities		(36,594)	2,953,595	(43,515)
Net Increase (Decrease) in Cash Held		26,732	(316,773)	(894,864)
Cash at Beginning of Year		2,330,449	1,516,662	3,225,313
Cash and Cash Equivalents at the End of the Year	13(a)	2,357,181	1,199,889	2,330,449

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

SHIRE OF LAVERTON

RATE SETTING STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2008

	NOTE	2008 $	2008 Budget $
REVENUES			
Governance		62,612	77,100
General Purpose Funding		1,712,526	1,655,055
Law, Order, Public Safety		42,826	60,100
Health		54,998	55,100
Education and Welfare		2,992	76,408
Housing		23,762	353,966
Community Amenities		53,040	47,454
Recreation and Culture		158,256	249,735
Transport		4,404,405	2,862,366
Economic Services		154,533	212,450
Other Property and Services		79,137	93,403
		6,749,087	5,743,137
EXPENSES			
Governance		(445,053)	(540,801)
General Purpose Funding		(118,598)	(118,842)
Law, Order, Public Safety		(75,423)	(86,252)
Health		(183,973)	(201,401)
Education and Welfare		(104,334)	(158,553)
Housing		(204,316)	(409,588)
Community Amenities		(324,840)	(374,342)
Recreation & Culture		(539,952)	(835,855)
Transport		(4,549,610)	(2,177,717)
Economic Services		(421,011)	(624,844)
Other Property and Services		(27,729)	(36,506)
		(6,994,839)	(5,564,701)
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals		58,029	0
Movement in Accrued Interest		(1,319)	0
Movement in Employee Benefit Provisions		(39,376)	0
Movement in Trade Payables associated with restricted cash		392,000	0
Depreciation and Amortisation on Assets		1,706,354	1,708,498
Capital Expenditure and Revenue			
Purchase Land and Buildings		0	(3,060,000)
Purchase Infrastructure Assets - Roads		(2,610,861)	(2,968,264)
Purchase Plant and Equipment		(247,056)	(303,600)
Purchase Furniture and Equipment		(16,703)	(763,185)
Purchase of Investments		0	(121,612)
Proceeds from Disposal of Assets		121,000	308,500
Repayment of Debentures		(36,594)	(96,396)
Proceeds from New Debentures		0	3,049,991
Transfers to Reserves (Restricted Assets)		(224,418)	(343,000)
Transfers from Reserves (Restricted Assets)		5,450	136,600
Estimated Surplus/(Deficit) July 1 B/Fwd		1,437,728	621,965
Estimated Surplus/(Deficit) June 30 C/Fwd		2,082,679	0
Amount Required to be Raised from Rates	22	(1,784,197)	(1,652,067)

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Balance Sheet are stated inclusive of applicable GST.

(d) Cash and Cash Equivalents

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Trade and Other Receivables

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

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

(f) Inventories

General

Inventories are valued at the lower cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

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

Revenue arising from the sale of property is recognised in the Income Statement 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 Council's intention to release for sale.

(g) Fixed Assets

Initial Recognition

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

Revaluation

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

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

Land under Roads

Land under roads is excluded from infrastructure in accordance with the transition arrangements available under AASB 1045 and in accordance with legislative requirements.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Depreciation of Non-Current Assets

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

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

Buildings	40 years
Furniture and Equipment	10 years
Plant and Equipment	3 to 10 years
Tools	10 years
Roads and Streets	35 years
Footpaths	20 years
Airport	20 years
Parks and Gardens Equipment	35 years
Information Bay	35 years
Town Centre Facilities	35 years

(i) Investments and Other Financial Assets

Classification

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

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

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are no quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If 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. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

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

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

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

(i) Investments and Other Financial Assets (Continued)

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

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

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

(j) Estimation of Fair Value
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

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

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

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

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

(k) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each 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 Income Statement.

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

(l) Trade and Other Payable

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

(m) Employee Benefits

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

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

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

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

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the 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 reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(n) Interest-bearing Loans and Borrowings

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

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

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing Costs

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Provisions

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

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

(p) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to 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 liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

(q) Joint Venture

The municipality'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 Balance Sheet and Income Statement. Information about the joint venture is set out in Note 16.

(r) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon the 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 are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(s) Superannuation

The Shire of Laverton contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycles. In the care of liabilities where 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 I is held as non-current based on Council's intentions to release for sale.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations

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 2008.

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

	Title and Topic	Issued	Applicable [1]	Impact
(i)	AASB-I 12 Service Concession Arrangements, AASB 2007-1 Amendments to Australia Accounting Standards arising from AASB Interpretation 12, revised UIG 4 Determining whether an Arrangement contains a Lease and revised UIG 129 Service Concession Arrangements: Disclosures	February 2007	1 January 2008	Nil - Council is not party to any Service Concession Arrangements
(ii)	AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil - The Standard is not applicable to not-for-profit entities.
(iii)	Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007	1 January 2009	Nil - The revised Standard has removed the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Council as the Council already capitalises borrowing costs relating to qualifying assets.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations (Continued)

	Title and Topic	Issued	Applicable [1]	Impact
(iv)	AASB-I 13 Customer Loyalty Programmes	August 2007	1 July 2008	Nil - Council has no Customer Loyalty Programmes
(v)	AASB-I 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	August 2007	1 January 2008	Nil - The Interpretation provides guidance on the maximum amount that may be recognised as an asset in defined benefit plans. Council does not currently contribute to any defined benefit plans. Consequently, there is not expected to be any impact on the financial statements.
(vi)	Revised AASB 101 Presentation of Financial Statements and AASB 2997-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting	September 2007 and December 2007	1 January 2009	Nil - The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of Financial Position), being as at the beginning of the comparative period.
(vii)	AASB 1049 Whole of Government and General Government Sector Financial Reporting	October 2007	1 July 2008 [2]	Nil - The Standard is not applicable to Local Governments.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations (Continued)

Title and Topic	Issued	Applicable [1]	Impact
(viii) AASB 1050 Administered Items: AASB 1051 Land Under Roads, AASB 1052 Disaggregated Disclosures, revised AASB 1004 Contributions, AASB 2007-9 Amendments to Australian Accounting Standards arising from the review of AAS 27, AAS 29 and AAS 31 and revised interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.	December 2007	1 July 2008 [2]	• AASB 2007-09 will have significant impact on Council's financial statements as it has the effect of withdrawing AAS 27. AAS 27 is effectively replaced by existing topic based standards and new standards as also detailed here. • AASB 1050 is only applicable to Government departments and will have no impact on Council. • AASB 1051 will allow Council to recognise or not recognise land under roads acquired before 30 June 2008. Land under roads acquired after 30 June 2008 must be recognised. • AASB 1052 requires disclosure of financial information by function or activity. Council already provides this information so there will be no additional impact on the financial statements. • AASB 1004 requires contributions made to Council to be recognised at fair value when they are controlled and to be appropriately disclosed. Council already accounts for contributions in this manner so there will be no additional impact on the financial statements.

Notes:
[1] - Applicable to reporting period commencing on or after the given date.
[2] - Applicable to not-for-profit and/or public sector entities only.

2. REVENUES AND EXPENSES

(a) Result from Ordinary Activities

	2008 $	2007 $
The Result from Ordinary Activities includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit	14,150	10,117
- Other Services	3,500	15,994
Depreciation		
Buildings	130,928	129,440
Furniture and Equipment	39,097	38,397
Plant and Equipment	403,444	403,993
Tools	6,634	7,765
Roads	1,016,655	1,008,586
Footpaths	2,060	2,277
Other Infrastructure	47,761	47,266
Airport	59,775	59,715
	1,706,354	1,697,439
Interest Expenses		
Debentures *(refer Note 21(a))*	10,378	12,583
	10,378	12,583
Rental Charges		
- Operating Leases	159,002	62,990

(ii) Crediting as Revenue:	2008 $	2008 Budget $	2007 $
Interest Earnings			
Investments			
- Reserve Funds	74,418	51,000	52,980
- Other Funds	128,791	38,000	66,311
Other Interest Revenue *(refer note 26)*	6,963	7,500	10,414
	210,172	96,500	129,705

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of Laverton is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

GOVERNANCE
Administration and operation of facilities and services to members of Council. Other costs that relate to the tasks of assessing Elected Members and Ratepayers on matters which do not concern specific Council services.

GENERAL PURPOSE FUNDING
Rates, General Purpose Government Grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY
Supervision of various laws, fire prevention, emergency services and animal control.

HEALTH
Food control, maintenance of child health clinics and health administration, and the retention of a full-time doctor in Laverton.

EDUCATION AND WELFARE
Maintenance of pre-school facilities, day care centre, donations to school and assistance to welfare groups.

HOUSING
Provision of staff housing as well as private housing for the retention of professionals in Laverton.

COMMUNITY AMENITIES
Rubbish collection services, operation of rubbish tip site, noise control, administration of town planning, operation of cemeteries and maintenance of public conveniences.

RECREATION AND CULTURE
Provision of a public hall, swimming pool, recreational facilities, various reserves, operation of library together with television and radio re-broadcasting facilities.

TRANSPORT
Construction and maintenance of roads, drainage, footpaths, parking facilities, traffic signs, street cleaning and operation of Laverton Airport.

ECONOMIC SERVICES
Tourism, Telecentre, Community Development, pest control and implementation of building controls.

OTHER PROPERTY AND SERVICES
Technical services administration, plant operations control and miscellaneous services not able to be classified elsewhere.

2. REVENUES AND EXPENSES (Continued)

(c) Conditions Over Contributions

	2008 $	2007 $
Grant for the production of Shire History Book	10,000	10,000
Outback Highway Secretariat	4,077	7,360
Youth Worker Grant (DCP)	35,435	60,575
LCIS grant (DCP)	72,403	105,884
Community Development Grant	20,235	27,500
Roads to Recovery Supplementary Funding	0	361,904
Outback Way Development Fund	604,096	963,178
Outback Way Integrated Tourism	214,138	0
Reprint "Drop in a Bucket"	5,000	0
Visions of the past / Unity in the Future - Youth	7,370	0
DIA - Youth Grant	30,000	0
Carols by candlelight	2,500	2,500
DIA - Indigenous Trail	5,000	5,000
	1,010,254	1,543,901
Add: New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Reprint "Drop in a Bucket"	0	5,000
Visions of the past / Unity in the Future - Youth	0	7,370
DIA - Youth Grant	0	30,000
Outback Way Secretariat	11,123	0
Outback Way Development Fund (includes interest)	709,407	0
Outback Way Integrated Tourism (incl interest & Contributions)	19,544	214,138
Department of Crime Prevention	11,280	0
Office of Crime Prevention	9,100	0
Youth Worker Grant (DCP)	20,735	0
Dept of Attorney General - In the Footsteps of Leaders	30,375	0

2. REVENUES AND EXPENSES (Continued)

	2008 $	2007 $
Less: Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
LCIS Grant	-72,403	0
Visions of the past / Unity in the Future - Youth	-7,370	0
DIA - Youth Grant - mapping and Gapping	-13,625	0
Outback Way Secretariat	-4,077	0
Outback Way Development Fund	-604,096	(359,082)
Outback Way Integrated Tourism	-214,138	0
Youth Worker Grant (DCP)	-35,435	0
Contribution from Various Shires (Outback Hwy Secretariat)	0	(3,283)
LCIS Grants	0	(33,481)
Youth Worker Grant	0	(25,140)
Community Development Grants	0	(7,265)
R2R Supplementary Funding	0	(361,904)
Closing balances of unexpended grants	870,674	1,010,254
Comprises:		
Grant for the production of Shire History Book	10,000	10,000
Reprint "Drop in a Bucket"	5,000	5,000
Outback Way Secretariat	11,123	4,077
Visions of the past / Unity in the Future - Youth	0	7,370
Candles by Candlelight	2,500	2,500
Indigenous Heritage Trail	5,000	5,000
Community Development Grant	20,235	20,235
LCIS Grant	0	72,403
DIA - Youth Grant	16,375	30,000
Outback Way Development Fund	709,407	604,096
Outback Way Integrated Tourism	19,544	214,138
Department of Crime Prevention	11,280	0
Office of Crime Prevention	9,100	0
Youth Worker Grant (DCP)	20,735	35,435
Dept of Attorney General - In the Footsteps of Leaders	30,375	0
	870,674	1,010,254
Grants which were not expended at the end of the current reporting period are disclosed in the following notes		
Cash and cash equivalents - Note 3	851,130	1,010,254
Short term borrowings - Note 9	19,544	0
	870,674	1,010,254

3. CASH AND CASH EQUIVALENTS

	2008 $	2007 $
Unrestricted	299,663	326,706
Restricted	2,063,587	2,003,743
	2,363,250	2,330,449

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

Leave Reserve	158,886	147,814
Plant Reserve	432,196	402,078
Road Reserve	166,352	154,760
Aerodrome Reserve	337,693	174,613
Swimming Pool Reserve	117,330	114,224
Unspent Grants	851,130	1,010,254
	2,063,587	2,003,743

4. TRADE AND OTHER RECEIVABLES

	2008 $	2007 $
Current		
Rates Outstanding	214,602	57,219
Sundry Debtors	912,106	219,846
Refunds control	0	870
GST Receivable	93,014	104,100
Provision for doubtful debts	-30,000	-30,000
	1,189,722	352,035

5. INVENTORIES

Current		
Fuel and Materials	35,432	43,986
	35,432	43,986

6. PROPERTY, PLANT AND EQUIPMENT

Land and Buildings - Cost	5,457,957	5,457,957
Less Accumulated Depreciation	-1,413,972	-1,283,044
	4,043,985	4,174,913
Furniture and Equipment - Cost	645,796	629,096
Less Accumulated Depreciation	-503,857	-464,762
	141,939	164,334
Plant and Equipment - Cost	3,470,151	3,509,267
Less Accumulated Depreciation	-2,062,838	-1,765,728
	1,407,313	1,743,539
Tools	62,003	61,199
Less Accumulated Amortisation	-40,207	-33,574
	21,796	27,625
	5,615,033	6,110,411

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

		Land & Buildings $	Furniture & Equipment $	Plant & Equipment $	Tools $	Total $
Balance as at 1July 2007		4,174,913	164,334	1,743,539	27,625	6,110,411
Additions		0	16,703	246,252	804	263,759
(Disposals)		0	0	(179,029)	0	(179,029)
Revaluation	- Increments					
	- (Decrements)	0	0	0	0	0
Impairment	- (losses)					
	- reversals	0	0	0	0	0
Depreciation	(Expense)	(130,928)	(39,097)	(403,444)	(6,634)	(580,103)
Other Movements			(1)	(5)	1	(5)
Balance as at 30 June 2008		4,043,985	141,939	1,407,313	21,796	5,615,033

7. INFRASTRUCTURE

	2008 $	2007 $
Roads - Cost	43,243,607	40,666,191
	-	-
Less Accumulated Depreciation	22,103,480	21,086,825
	21,140,127	19,579,366
Footpaths - Cost	205,987	205,987
Less Accumulated Depreciation	-49,671	-47,611
	156,316	158,376
Airport - Cost	1,922,010	1,922,010
Less Accumulated Depreciation	-1,109,174	-1,049,399
	812,836	872,611
Other Infrastructure	2,016,054	1,982,609
Less Accumulated Depreciation	-1,235,038	-1,187,277
	781,016	795,332
	22,890,295	21,405,685

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

		Roads $	Footpaths $	Airport $	Other Infrastructure $	Total $
Balance as at 1July 2007		19,579,366	158,376	872,611	795,332	21,405,685
Additions		2,577,416	0	0	33,445	2,610,861
(Disposals)		0	0	0	0	0
Revaluation	- Increments - (Decrements)	0	0	0	0	0
Impairment	- (losses) - reversals	0	0	0	0	0
Depreciation	(Expense)	-1,016,655	-2,060	-59,775	-47,761	-1,126,251
Other Movements		0	0	0	0	0
Balance as at 30 June 2008		21,140,127	156,316	812,836	781,016	22,890,295

8. TRADE AND OTHER PAYABLES

	2008 $	2007 $
Current		
Sundry Creditors	514,672	234,520
DPI Agency	4,606	1,368
Employee entitlements - RDO's & PAYG	9,798	15,770
GST Payable	95,818	0
Accrued Interest on Debentures	2,281	3,600
Accrued Salaries and Wages	54,305	43,600
	681,480	298,858

9. SHORT-TERM BORROWINGS

Unsecured		
Bank Overdraft	6,069	0
Represented By:		
Unrestricted - Municipal bank overdraft	25,613	0
Restricted funds held	-19,544	0
	6,069	0
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Unspent Grants	19,544	0

10. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge		
Debentures	38,809	36,594
	38,809	36,594
Non-Current		
Secured by Floating Charge		
Debentures	107,612	146,421
	107,612	146,421

Additional detail on borrowings is provided in Note 21.

11. PROVISIONS

Current		
Provision for Annual Leave	96,431	118,420
Provision for Long Service Leave	60,160	72,718
	156,591	191,138
Non-Current		
Provision for Long Service Leave	3,654	8,483
	3,654	8,483

12. RESERVES - CASH BACKED

	2008 $	2008 Budget $	2007 $
(a) Leave Reserve			
Opening Balance	147,814	147,814	119,541
Amount Set Aside / Transfer to Reserve	11,072	56,000	57,485
Amount Used / Transfer from Reserve	0	-6,000	-29,212
	158,886	197,814	147,814
(b) Plant Reserve			
Opening Balance	402,078	402,078	234,108
Amount Set Aside / Transfer to Reserve	30,118	107,000	167,970
Amount Used / Transfer from Reserve	0	-100,600	0
	432,196	408,478	402,078
(c) Swimming Pool Reserve			
Opening Balance	114,224	114,224	107,493
Amount Set Aside / Transfer to Reserve	8,556	7,000	6,731
Amount Used / Transfer from Reserve	-5,450	-7,000	0
	117,330	114,224	114,224
(d) Aerodrome Reserve			
Opening Balance	174,613	174,613	164,323
Amount Set Aside / Transfer to Reserve	163,080	164,000	10,290
Amount Used / Transfer from Reserve	0	-14,000	0
	337,693	324,613	174,613
(e) Road Reserve			
Opening Balance	154,760	154,760	145,640
Amount Set Aside / Transfer to Reserve	11,592	9,000	9,120
Amount Used / Transfer from Reserve	0	-9,000	0
	166,352	154,760	154,760
TOTAL CASH BACKED RESERVES	1,212,457	1,199,889	993,489

All of the cash backed reserve accounts are supported by money held in financial institutions or in separate investments and match the amounts shown as restricted cash Notes 3 to this report.

12. RESERVES - CASH BACKED (Continued)

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

Leave Reserve
- to be used to fund annual, RDO and long service leave requirements

Plant Reserve
- to be used for the purchase of major plant

Swimming Pool Reserve
- to be used for the renovation and upgrading works to swimming pool

Aerodrome Reserve
- to be used for the upkeep and major upgrade works to the Laverton Airport

Road Reserve
- to be used for the upkeep and major improvements/re-sealing programmes for the roads within the Shire of Laverton

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

13. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

For the purpose of the cash flow statement, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the balance sheet as follows:

	2008 $	2008 Budget $	2007 $
Cash and Cash Equivalents	2,363,250	1,199,889	2,330,449
Bank Overdraft	-6,069	0	0
	2,357,181	1,199,889	2,330,449

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

Net Result	1,538,445	1,830,503	2,325,350
Depreciation	1,706,354	1,708,498	1,697,439
(Profit)/Loss on Sale of Asset	58,029	0	(46,701)
(Increase)/Decrease in Receivables	(837,687)	270,904	(222,604)
(Increase)/Decrease in Inventories	8,554	43,986	1,672
Increase/(Decrease) in Payables	382,627	(216,098)	(205,523)
Increase/(Decrease) in Employee Provisions	(39,376)	0	61,230
Grants/Contributions for the Development of Assets	(4,186,990)	(2,964,611)	(6,031,308)
Net Cash from Operating Activities	(1,370,044)	673,182	(2,420,445)

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Bank Overdraft limit	400,000	400,000
Bank Overdraft at Balance Date	(6,069)	0
Credit Card limit	25,000	25,000
Credit Card Balance at Balance Date	(6,251)	(5,926)
Total Amount of Credit Unused	412,680	419,074
Loan Facilities		
Loan Facilities - Current	38,809	36,594
Loan Facilities - Non-Current	107,612	146,421
Total Facilities in Use at Balance Date	146,421	183,015
Unused Loan Facilities at Balance Date	0	0

14. CONTINGENT LIABILITIES

There were no known contingent liabilities at 30th June 2008

15. CAPITAL AND LEASING COMMITMENTS

	2008 $	2007 $
(a) Finance Lease Commitments		
There are no finance lease commitments at 30th June 2008		
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	166,584	100,656
- later than one year but not later than five years	467,332	339,634
- later than five years	0	0
	633,916	440,290

The leases are for heavy plant - 2 graders and a roller

(c) Capital Expenditure Commitments

There are no capital expenditure projects outstanding at 30th June 2008

16. JOINT VENTURE

The Shire of Laverton, together with the Shire of Leonora, have an agreement with regard to the provision of an Environmental Health and Building Surveying service. There are no joint venture assets involved with the arrangement and the Shire of Leonora on-charges all of the Shire of Laverton's share of the cost of the service.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2008 $	2007 $
Governance	86,269	5,062
General Purpose Funding	214,602	57,219
Law, Order, Public Safety	38,444	39,990
Health	230,730	191,577
Education and Welfare	40,708	38,846
Housing	962,900	986,701
Community Amenities	190,370	214,934
Recreation and Culture	2,563,628	2,116,900
Transport	23,344,643	21,836,900
Economic Services	115,663	105,459
Other Property and Services	1,948,593	2,214,429
Unallocated	2,357,182	2,434,549
	32,093,732	30,242,566

18. FINANCIAL RATIOS

	2008	2007	2006
Current Ratio	2.099	1.908	2.000
Untied Cash to Trade Creditors Ratio	0.577	1.385	1.830
Debt Ratio	0.031	0.023	0.030
Debt Service Ratio	0.011	0.012	0.020
Gross Debt to Revenue Ratio	0.035	0.039	0.030
Gross Debt to Economically Realisable Assets Ratio	0.017	0.021	0.020
Rate Coverage Ratio	0.210	0.324	0.290
Outstanding Rates Ratio	0.117	0.036	0.020

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 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

$$\frac{\text{Rates Outstanding}}{\text{Rates Collectible}}$$

19. TRUST FUNDS

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

	Balance 1-Jul-07 $	Amounts Received $	Amounts Paid ($)	Balance 30-Jun-08 $
Hall Bonds	183	0	0	183
Housing Bonds	2,900	1,305	-2,045	2,160
BCITF and BRB	10,605	24,945	-126	35,424
Council Nominations	80	640	-400	320
Key Bonds	280	247	-90	437
Santa Suit Bond	51	0	0	51
Staff Personal Deductions	12,067	33,124	-29,569	15,622
Youth Advisory Council	1,029	0	0	1,029
Clubs & Disco's	5,515	800	-1,550	4,765
Community activity funds	10,470	14,633	0	25,103
	43,180	75,694	-33,780	85,094

20. DISPOSALS OF ASSETS - 2007/08 FINANCIAL YEAR

The following assets were disposed of during the year

	Net Book Value		Sale Price		Profit (Loss)	
	Actual $	Budget $	Actual $	Budget $	Actual $	Budget $
Community Amenities						
Rubbish truck	0	35,000	0	35,000	0	0
Recreation & Culture						
Town Gardener/Ranger Utility	0	12,500	0	12,500	0	0
Economic Services						
CDO Vehicle	0	15,000	0	15,000	0	0
Transport						
Volvo Loader	179,029	121,000	121,000	121,000	-58,029	0
Other Property & Services						
Doctor's Prado	0	35,000	0	35,000	0	0
CEO Vehicle	0	33,000	0	33,000	0	0
MES Vehicle	0	31,000	0	31,000	0	0
Mechanics Vehicle	0	26,000	0	26,000	0	0
	179,029	308,500	121,000	308,500	-58,029	0

21. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-07 $	New Loans $	Principal Repayments		Principal 30-Jun-08		Interest Repayments	
			Actual $	Budget $	Actual $	Budget $	Actual $	Budget $
Housing								
Loan 75 - Doctors Residence	78,898	0	15,703	15,703	63,195	63,185	4,667	4,667
Loan 76 -Boomerang St Residence	104,117	0	20,891	20,891	83,226	83,236	5,711	5,711
Loan 79 - Housing	0	462,290	0	6,364	0	455,926	0	10,983
Loan 80 - Housing	0	1,293,005	0	25,462	0	1,267,543	0	43,933
Loan 81 - Housing	0	1,294,696	0	27,976	0	1,266,720	0	48,274
	183,015	3,049,991	36,594	96,396	146,421	3,136,610	10,378	113,568

(*) Self supporting loan financed by payments from third parties
All other loan repayments were financed by general purpose revenue

(b) New Debentures - 2007/08

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges $	Interest Rate %	Amount Used		Balance Unspent $
	Actual $	Budget $						Actual $	Budget $	
Loan 79 - Housing	0	462,290	WATC	Fixed	15	0		0	462,290	0
Loan 80 - Housing	0	1,293,005	WATC	Fixed	15	0		0	1,293,005	0
Loan 81 - Housing	0	1,294,696	WATC	Fixed	15	0		0	1,294,696	0

21. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

The Shire of Laverton had no unspent debentures at 30th June 2008

(d) Overdraft

Council established an overdraft facility of $400,000 to assist with short-term liquidity requirements. The balance of the bank overdraft at 1 July 2007 was Nil and 30 June 2008 was $6,069.

22. RATING INFORMATION - 2007/08 FINANCIAL YEAR

RATE TYPE	Rate in $	Number of Properties	Rateable Value $	Rate Revenue $	Interim Rates $	Back Rates $	Total Revenue $	Budget Rate Revenue $	Budget Interim Rate $	Budget Back Rate $	Budget Total Revenue $
Differential General Rate											
GRV Townsite	0.0860	182	1,917,660	163,796	-386		163,410	170,044			170,044
GRV Minesite	0.0970	7	5,486,200	532,161	1,724		533,885	532,161			532,161
UV - Pastoral	0.0470	14	446,207	20,972	0		20,972	27,323			27,323
UV - Mining	0.0970	373	9,072,043	879,988	104,697		984,685	877,009			877,009
Sub-Totals		576	16,922,110	1,596,917	106,035	0	1,702,952	1,606,537	0	0	1,606,537
Minimum Rates	**Minimum $**										
GRV Townsite	195	44	4,595	8,580	0		8,580	9,750			9,750
GRV Minesite	195	0	0	0	0		0	0			0
UV - Pastoral	195	1	3,000	195	0		195	195			195
UV - Mining	195	478	559,026	94,575	0		94,575	94,185			94,185
Sub-Totals		523	566,621	103,350	0	0	103,350	104,130	0	0	104,130
							1,806,302				1,710,667
Specified Area Rate *(refer note 23)*							0				0
							1,806,302				1,710,667
Discounts *(refer note 25)*							-65,105				-58,000
Excess Rates							43,000				0
Rates Written Off							0				-600
Totals							1,784,197				1,652,067

23. SPECIFIED AREA RATE - 2007/08 FINANCIAL YEAR

The Shire of Laverton does not levy any specified area rates.

24. SERVICE CHARGES - 2007/08 FINANCIAL YEAR

No service charges were levied in the 2007/08 financial year.

25. DISCOUNTS, INCENTIVES, CONCESSIONS & WRITE OFFS - 2007/08 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value $	Budget Cost/ Value $
General Rates	Discount	5.00%	65,105	58,000
			65,105	58,000
Rate Assessment	Write-Off		172	600

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.

26. INTEREST CHARGES AND INSTALMENTS - 2007/08 FINANCIAL YEAR

	Interest Rate %	Admin. Charge $	Revenue $	Budgeted Revenue $
Interest on Unpaid Rates	11.00%		6,963	7,000
Interest on Instalments Plan	5.50%		0	500
Charges on Instalment Plan		8	8	600
			6,971	8,100

27. FEES AND CHARGES

	2008 $	2007 $
Governance	2,106	933
General Purpose Funding	11,375	1,290
Law, Order, Public Safety	3,614	4,299
Health	0	0
Education & Welfare	3,052	2,847
Housing	23,762	27,510
Community Amenities	53,040	46,547
Recreation & Culture	51,130	6,246
Transport	47,098	18,848
Economic Services	137,459	103,337
Other Property & Services	59,423	452,555
	392,059	664,412

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

28. GRANT REVENUE

GRANT REVENUE	2008 $	2007 $
By Nature and Type:		
Grants and Subsidies - operating	1,770,425	1,865,418
Grants and Subsidies - non-operating	4,186,990	6,031,308
	5,957,415	7,896,726
By Program:		
General Purpose Funding	1,559,697	1,607,438
Law, Order, Public Sector	36,887	2,251
Education & Welfare	0	34,486
Recreation and Culture	0	53,280
Transport	4,331,831	6,129,616
Economic Services	29,000	69,655
	5,957,415	7,896,726

29. COUNCILLORS' REMUNERATION

COUNCILLORS' REMUNERATION	2008 $	2008 Budget $	2007 $
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	6,936	16,000	10,350
President's Allowance	4,545	5,000	5,000
Deputy President's Allowance	1,136	1,250	1,322
Travelling Expenses	6,280	6,000	5,649
Telecommunications Allowance	1,326	2,000	1,615
	20,223	30,250	23,936

30. EMPLOYEES' REMUNERATION

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

Salary Range $	2008	2007
120,000 - 129,999	1	1

31. EMPLOYEE NUMBERS

	2008	2007
The number of full-time employees at balance date.	25	28

32. MAJOR LAND TRANSACTIONS

No major land transactions were undertaken in the 2007/08 financial year.

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings during the 2007/08 financial year.

34. FINANCIAL RISK MANAGEMENT

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 Council.

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	
	2008	2007	2008	2007
	$	$	$	$
Financial Assets				
Cash and cash equivalents	2,363,250	2,330,449	2,363,250	2,330,449
Receivables	1,189,722	352,035	1,189,722	352,035
	3,552,972	2,682,484	3,552,972	2,682,484
Financial Liabilities				
Payables	681,480	298,858	681,480	298,858
Borrowings	152,490	183,015	150,653	177,227
	833,970	481,873	832,133	476,085

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.

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

Cash is subject to interest rate risk - the risk that movements in interest rates could affect returns.

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

Council manages these risks by placing its cash balances with registered Australian banks.

	30-Jun-08 $	30-Jun-07 $
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	28,289	29,300
- Income Statement	28,289	29,300

Notes:

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

34. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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. 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 Council to recover these debts as a secured charge over the land - that is, the land can be sold to recover the debt. 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 reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

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-08	30-Jun-07
Percentage of Rates and Annual Charges		
- Current	36.6%	0.0%
- Overdue	63.4%	100.0%
Percentage of Other Receivables		
- Current	12.6%	7.7%
- Overdue	87.4%	92.3%

34. 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. 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 Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year $	Due between 1 & 5 years $	Due after 5 years $	Total contractual cash flows $	Carrying values $
2008					
Payables	681,480	0	0	681,480	681,480
Borrowings	53,041	117,429	0	170,470	152,490
	734,521	117,429	0	851,950	833,970
2007					
Payables	298,858	0	0	298,858	298,858
Borrowings	46,971	164,401	0	211,372	183,015
	345,829	164,401	0	510,230	481,873

34. 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. 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.

Year Ended 30 June 2008	<1 year $	>1<2 years $	>2<3 years $	>3<4 years $	>4<5 years $	>5 years $	Total $	Weighted Average Effective Interest Rate %
Borrowings								
Variable Rate								
Overdraft	6,069	0	0	0	0	0	6,069	16.93%
Weighted Average Effective Interest Rate	16.93%							
Fixed Rate								
Debentures	0	0	0	146,421	0	0	146,421	5.96%
Weighted Average Effective Interest Rate				5.96%				
Year Ended 30 June 2007								
Borrowings								
Fixed Rate								
Debentures	0	0	0	0	183,015	0	183,015	5.96%
Weighted Average Effective Interest Rate					5.96%			