



# *Shire of Halls Creek*



## *Annual Report* *2004 - 2005*



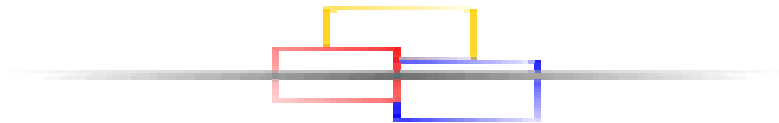
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## 1.0 MISSION STATEMENT

To meet the Expectations of the People through Strong Leadership, Effective Communications, Support and Efficient Service Delivery whilst Recognising the Cultural Diversity within the Shire of Halls Creek





## 2.0 FACTS AT A GLANCE

### COUNCIL STATISTICS 2004 - 2005

Population	4,300
Distance from Perth (km)	2,837
Number of Electors	1,883
Residential Dwellings	810
Area (sq km)	142,908
Length of Sealed Roads (km)	360
Length of Unsealed Roads (km)	1,433
Total Rates Levied	\$807,000
Total Revenue	\$13,287,000
Council Employees (FTE)	42

### TOURIST ATTRACTIONS

- Purnululu (Bungle Bungle) National Park
- Wolfe Creek Meteorite Crater
- China Wall
- Old Halls Creek
- Sawpit Gorge
- Caroline Pool
- Palm Springs

### LOCAL INDUSTRIES

- Beef
- Cattle
- Gold & Nickel Mining
- Nickel Ore Processing
- Mineral Exploration
- Tourism
- Retail & Road Trade
- Aboriginal Art Centres



## **3.0 PRESIDENTS REPORT**

### **Report by Trish McKay**

#### **3.1 Introduction**

I would like to thank all for their support in electing me to the President's position. After being on Council for seven (7) years I thought, after being nominated that I'd take that extra step to help the community.

It has been an exciting time for our Shire, there is so much happening here.

#### **3.2 Croc Festival**

Thank you to all the people that pitched in to make the inaugural Halls Creek Croc Festival a success. Schoolkids from throughout the Kimberley, and from as far away as Port Hedland and Yandiyarra, came here this August to meet other young people, enjoy the entertainment, and learn.

#### **3.3 Partnership with Department of Justice**

The Department of Justice has had a long standing difficulty in finding and retaining a supervisor for offenders with Community Service Orders. We commend Dennis Morris, now with the Department of Justice, for implementing the Repay WA program here in Halls Creek. Under his supervision many of the larger Shire properties, such as the Oval and the Airport, are being regularly cleared of litter, freeing up our own outside workers to concentrate on other much needed tasks.

#### **3.4 Other Events**

For such a small community, Halls Creek manages to stage an impressive number of regular community events every year that are popular with locals and visitors. Attendance numbers are growing for most of these events.

Many thanks to the volunteers who keep working quietly away to make these events possible.

#### **3.5 New Initiatives**

We have seen several promising new initiatives in the last year.

Garnduwa, the Aboriginal sports development agency, has established an office here in Halls Creek with Shire support, increasing the recreational options here for our young people.

Yachad Accelerated Learning is a teaching method used in Israel to quickly impart literacy and numeracy skills to immigrant children from Ethiopia. Halls Creek District High School has been chosen to as one of the first places to use this method in Australia. Beginning this year, two Israeli teachers are spending one term here per year, teaching the method to High School Staff.



We also congratulate the local business people who have formed the new Chamber of Commerce to represent their interests. We trust that the new Chamber will attract and stimulate investment and commerce throughout our Shire.

### **3.6 Awards**

#### **Julianne & Rebecca Johns:**

I would like to congratulate Julianne and Rebecca Johns, of Mulan Community, who on won the 2004 Department of Local Government and Regional Development Regional Achievers Award. Julianne and Rebecca are following in the footsteps of their late father, founder of Mulan. Their community was also nominated as a finalist in the Kleenheat Gas Community of the Year Award. Julianne has since joined us as a councillor, representing the new South Ward.

#### **Josey Farrer:**

Our heartfelt congratulations also go out to Josey Farrer, recipient of the Distinguished Service Award from the Western Australian Local Government Association, for distinguished service to the community through the Local Government of the Shire of Halls Creek.

Josey served for 16 years as a Shire Councillor, seven of these as Shire President.

She has been a Local Government representative on the Kimberley Development Commission; Chairperson and a Halls Creek delegate on the Kimberley Regional Road Group for three years; and a delegate from Halls Creek on the Sustainable Regions Committee. She also was a representative on the Deputy Prime Minister the Hon John Anderson's Rural & Remote Women's Advisory Committee.

During her early days on Council she was also a founding member of the Kimberley Language Resource Centre and very much supported the move to have the main office of that organisation based in Halls Creek. In 1986 she was on the committee that started up Magaballa Publishing Co. in Broome.

Josey has always had a very great interest in Aboriginal Radio/TV and was a founding committee member that started the Puranyangu – Rangka Kerrem Radio Station in Halls Creek.

We believe Josey to be the first indigenous woman Shire President in Australia.

### **3.7 Building Work**

One thing that really makes a difference to our pride in our town is the appearance of its public buildings. We have had several exciting developments in this area since last year's Annual Report.

The owners of Kimberley Hotel are upgrading the public bar and saloon bar. When renovations are complete we expect there will be a much better standard of dress and behaviour from hotel patrons.

Long awaited extension are also going ahead at the Shire Offices, including six new offices, a new meeting room and reception area, and new carpet and paint for



the whole of the building. Our staff have worked under difficult, cramped conditions for many years and I would like to thank them for their patience and hard work.

We also expect to see our new Aquatic and Recreation Centre open in the New Year. At one stage it looked as though we would have to do without the proposed new gym and basketball courts. Now that we have found the necessary funds, we will have the all of these facilities by 2006.

Also nearing completion is our new hospital.

### **3.8 Football**

It has been an exciting year for football here in the East Kimberley.

The final siren found our own Halls Creek Hawks only four points short of the Premiership at the 2004, with Team Captain Clinton Cox taking out the ABC East Kimberley Footballer of the Year Award.

In 2005 we welcomed an NT team from Timber Creek into our league.

The 19 and Under Belt-up Cup has been held for five years, and this year for the first time in Halls Creek. Teams from across the West, Central and East Kimberley regions were joined this year by the Kutjungka (desert) region.

The competition is organised by Garnduwa and is run to select players to make up a team to go to the Landmark Championships in Perth.

This year East Kimberley defeated West Kimberley to win their first ever final. Three Halls Creek boys were selected to go to Perth. They were Zianal Thomas, Joseph Cox and Chad Chadwick – congratulations boys!

Since taking up the post as first OIC of Balgo Police Station, Snr Sgt Lindsay Greatorex has been working with local people to create a Kutjungka football team, drawing players from Mulan, Billiluna and Balgo. Kutjungka played a social match with players from the Central Kimberley Football League at Halls Creek in July this year. We look forward to them joining our own East Kimberley Football League some time soon.

### **3.9 Conclusion**

So, once again, thank you everyone for your support. We have so many good things planned for the community over the next two years, and I am looking forward to being a part of it with you.



## **4.0 CHIEF EXECUTIVE OFFICERS REPORT**

**Report by Peter McConnell**



### **4.1 Introduction**

As Chief Executive Officer of the Shire of Halls Creek it gives me great pleasure to report on the activities of the Shire for 2004/2005. My report will cover administration and compliance requirements under the Local Government Act. The Executive Managers for Technical Services, Regulatory Services and Community Development will report on their areas of responsibility.

### **4.2 Legislative Compliance**

Over the past few years Council has continued to update its Delegated Authorities, Policy Manual and Local Laws on a needs basis. There probably is the need now for Council to have a complete review of its Delegated Authority and Policy Manuals in particular. The need to report to various agencies on compliance matters is becoming greater and greater. It is interesting to note that some larger and medium sized Councils are employing Compliance Officers. It is something that Council could consider in sharing a Compliance Officer with other Kimberley Councils.

### **4.3 National Competition Policy**

The National Competition Policy is a set of competition enhancing principles, agreed to by the States and the Commonwealth Government in 1995.

The intention of the policy is to promote competition for the benefit of businesses, consumers and the economy, by eliminating any advantage received by Government as a result of public sector ownership. The result should be a more level playing field between the public and private sector.

All Local Governments with business activities, with an annual user pays income of no more than \$200,000, must assess these activities, and if considered necessary, introduce measures to eliminate a net advantage that could arise out of Public ownership.





The Shire of Halls Creek has no significant business activities and therefore has no requirements for assessment.

### 4.4 Disabilities Services Act

Section 5.53(2)(ha) of the Local Government Act 1995 requires Council to report annually on the five key outcomes for people with disabilities. These key outcomes are:

- Existing functions, facilities and services are adapted to meet the needs of people with disabilities.
- Access to buildings and facilities is improved
- Information about functions, facilities and services is provided in formats, which meet the communication requirements of people with disabilities.
- Staff awareness of the needs of people with disabilities, and skills in delivering advice and services are improved.
- Opportunities for people with disabilities to participate in public consultations, grievance mechanisms and decision making processes are provided.

The Shire of Halls Creek is committed to the above outcomes and ensures that all buildings and future works conform to the required standards. Staff awareness and communication facilities are made available on demand.

### 4.5 Records Management

The Shire of Halls Creek is required to have a Record Keeping Plan approved by the State Records Commission. It is also a requirement of the State Records Commission that the Shire includes a statement in the Annual Report regarding this Record Keeping Plan. In compliance with the State Records Commission requirements, the following statement has been prepared and approved by the State Records Commissions:

*“The State Records Commission approved the Shire of Halls Creek Record Keeping Plan in (anticipated) October 2004. It is a requirement of the State Records Act that the Shire utilise this approved RKP. A review of this plan will be undertaken at least every five years.*

*The approved RKP provides for staff training and development using a number of initiatives, which will be reviewed from time to time, or as required by other legislation. There are strategies in place to ensure staff are aware of their roles and responsibilities under the RKP requirements.”*

### 4.6 Finance

With Council having to meet the running costs of the Recreational Centre Complex, which is due for completion in early 2006, it means Council will have to enter a “consolidating period” for three to four years. It has always been envisaged that the operating costs would be high, and it is hoped that the social benefits for the electors will, in the long term, outweigh the costs associated with running



the pool. It will also mean a restructuring of the Youth Services, Recreational functions of Council and the need for new partnerships to be entered into with funding bodies.

Regional Road Group funding, or the lack of it, is still a major issue for all Councils. We are concentrating on using RRG funds for the Duncan Road and the Road to Recovery monies, together with our special Transform WA grant, for the Tanami Road. It is very difficult when we have two high maintenance long roads to maintain, with limited funding. The Roads to Recovery funding, together with the additional Aboriginal Access Roads (R2R), has now become critical, and it was good news to hear that it is continuing on for another 4 years.

We were fortunate to get a substantial increase in FAG'S monies. Dollar wise, we had one of the largest increases in the State. This shows that we are a fast growing Council, population wise, and allows for our high disability factors. Our consultant, Ray Hadlow, has supplied a comprehensive report on our grant assessment and possible future projections.

#### **4.7 Ward and Shire Boundaries**

As mentioned in last year's report, Council reviewed it's Ward boundaries, and in conjunction with the other three Kimberley Councils, reviewed all common Shire boundaries.

The Ward boundary changes were approved by the Advisory board, and were gazetted in time to take effect for the elections in May 2005. The bottom line of the changes meant an increase in Councillors from 7 to 8, and with the redistribution the number of Councillors representing the South Ward increased from one to three, and the Central Ward reduced to one Councillor.

We welcome Julieanne Johns and Harold Boomer as two new Councillors representing the South Ward. They join David Skeahan as the three representatives for that Ward. By agreement with the Advisory Board, David transferred from the Central to the South Ward. Lynette Craig defeated Josey Farrer in an election for the Central Ward. Stanley Bedford stood for the Town ward and was elected, unopposed, (vacancy caused by resignation of Simon McGlasson) and joined Jamie Savage and Patricia McKay as the Town representatives. Max Thomas was elected, unopposed, as the representative for the North Ward in an extraordinary election.

When one reflects on the elected Council it is interesting to note that we have six Indigenous Councillors which indicates the 75% to 80% break up of our population, three women and five men, and all Councillors live in the ward they represent. A good example of a democratic system!

The Shire President mentioned the work and dedication of Josey Farrer. When I was appointed Chief Executive Officer, Josey was Shire President, and I worked very closely with her for those first six years. I was very appreciative of the support that she gave me. I would like to publicly thank her for the contribution she made to Council, and the electors of the district. Who knows, if the desire is there, she may well return to Local Government.



#### **4.8 Tjuraballan COAG “Whole of Government Approach Area”**

This year saw a number of changes to staff that were representing various lead Government Agencies in this project. Peter Jebb left the project, for family reasons, and was replaced by Carrie Hannington and Mark Sewell. Mary Cowley moved from Broome to Perth, and a replacement, representing the Department of Indigenous Affairs, has yet to be found. DIA will be putting a “Place Manager” in Halls Creek to coordinate the State Government’s role in the project.

Every one is very committed to this project’ and staff changes tend to slow the process down until new staff pick up the pieces. As the third level of Government, Council is very committed to support and help drive this project, because it is critical to establish a different and better way of doing business with Aboriginal communities. I believe there is confusion about the project however it is up to all of us to keep driving the changes that must occur for the benefit of everybody.

As stated last year, there are so many changes taking place in the area of Indigenous Affairs governance, and the delivery of services to communities. We must keep abreast of the changes, and keep our finger on the pulse, in particular, to those inevitable changes that will happen to the delivery of Municipal Services.

#### **4.9 Cultural Interpretive Centre**

As mentioned in last year’s Annual Report, the Cultural & Interpretive Centre has been put on hold until the Recreational & Aquatic Centre is completed, and up and running. There is interest among Federal & State Government Agencies to part fund a centre in Halls Creek, but as mentioned in other reports, a project like this must be community based, and run, for it to be a success. There are a number of Culture Centres throughout Australia already in operation, so we must visit those operations and learn from their experiences.

#### **4.10 Medium Density Housing**

The availability of acceptable housing is at a critical level in Halls Creek. The other day I had a conversation with a Government employee from Perth, who said; that if they had ten (10) houses in Halls Creek they could fill them with Public Servants. This equates to ten people who should be working and delivering services in Halls Creek, but are unable to do so. It is tragic that there is not more private investment in Halls Creek to compliment the Government investment in Town.

Council is still pursuing the sub division of Airport land. Landcorp have appointed a consultant to manage the project and I feel confident that it will happen. They have a submission before Cabinet, for approval to proceed with the project, at a loss or break even cost.



#### **4.11 Staff Changes**

During the year we welcomed Tony and Jo Morley, who came to us from Katherine, and took up the positions of Executive Manager Regulatory Services and Executive Manager Community Development respectively. Heather Bell spent four (4) years in charge of Regulatory Services, and I would like to thank her for the dedication she displayed during her time at the Shire. People of Heather's calibre, and dedication to her profession, are few and far between. She did not know when to relax or stop, and will be sadly missed.

Dena Buxton and Ashley Tannock joined us, from Melbourne, as Executive Secretary and Principal Works Supervisor. We were also very fortunate to gain the services of Andrea Nunan as Senior Finance Officer. Andrea has had 10 years experience in Local Government, shared between the city and country, and her knowledge will be invaluable to the organisation

#### **4.12 Annual Salaries**

With the recent legislative Amendments to the Local Government (Administration) Regulation 1996, Councils are now required to stipulate the number of employees entitled to an annual salary of \$100,000 or more.

I am disclosing that no officers employed by the Shire of Halls Creek are entitled to receive a salary of \$100,000 or more.

#### **4.13 Conclusion**

Working for any level of Government is a thankless job. People these days look for other people to blame for things that either happen or don't happen. The work load in Local Government increases every year and it will continue to do so. The residents of Halls Creek are extremely lucky, in that they have a group of dedicated Shire employees, who work extremely hard for the advancement of the Shire. I would personally like to thank you all for your dedication and hard work.



## **5.0 EXECUTIVE MANAGER REGULATORY SERVICES REPORT**

**Report by Tony Morley**

### **5.1 Building Control**

The reporting year (*June 2004 – June 2005*) shows a total value of approved building work of \$13,201,018. The figures for the township and the surrounding communities respectively are \$9,295,370 and \$3,905,648.

In relation to the town this is an increase of \$4,626,924 compared to the 2003-2004 report period when \$4,668,446 was spent in the town.

Areas away from the town showed a decrease in building expenditure with a decrease of \$3,141,992 over the previous year where \$7,047,640 was spent. Construction of the Sally Malay mine accounted for \$2,418,074.00 of the total spent within the Shire on building development in 2003-2004.

Construction of the Halls Creek Aquatic and Recreation Centre accounted for \$5,344,093 in the town area. Residents of the Shire for the past 25 years have expressed a desire for a Swimming Pool, as well as recreational and leisure facilities. Provision of these will provide the opportunity for family members to congregate and relax in this particular area. At the time of this report the Halls Creek Aquatic and Recreation Centre is well under construction.

Energy efficiency provisions were introduced into the Building Code of Australia on the 1<sup>st</sup> of July 2005 for all commercial buildings, apart from dwellings and extensions which were introduced in 2003.

All commercial premises must now consider thermal insulation of the walls, roof, and the ability of piping and ductwork to be sealed from breezes. These measures will be introduced from 1<sup>st</sup> November 2005 to help reduce the costs associated with cooling commercial premises in Halls Creek

### **5.2 Ranger Services**

A new Ranger, Mick Wilkie, has taken over from Chris Seton.

From the 1<sup>st</sup> July 2004 to the 30<sup>th</sup> June 2005. eight (8) registered dogs were impounded. All of their owners were given fines for not restraining dogs properly. The number of unregistered dogs impounded was eleven (11). All were destroyed after 72hrs.

The number of dogs destroyed within the Shire was 195. The majority of these were destroyed on outlying communities or town camps. Other animals destroyed included 27 cats, one (1) horse and two (2) snakes.

The Community Dog Control Program has been reinstated for the Town and outlying communities and all Environmental Health personnel have had training in Dog control methods. More than 350 dogs have been treated with Ivomec, a treatment for scabies and internal parasites, in the Dog Control programs.





**Environmental Health Personnel completing the Dog Control Program in Derby 2005**

### **5.3 Disability Services**

The Shire's Disability Services Plan continues to be referred to developers and builders. It is pleasing to report that the majority of submitted applications contain requirements for the provision of grab rails to toilet and shower areas. A number of issues of Access in remote Communities are being addressed through the Housing and Essential Services Committee meetings in Kununurra. These include the proposal to have footpaths and foot bridges with lighting in Turkey Creek, and concrete paths in Ringer's Soak for wheelchair bound residents.

### **5.4 Aboriginal Community Environmental Health Officers**

Megan Nilon replaced Tim Brokenshire as the Environmental Health Officer Aboriginal Communities, with Luke Bedford being the Aboriginal Field Support Officer Environmental Health.

Although both were new to Environmental Health in Halls Creek, many programs were restarted such as the Dog Health Program and continuing relationship building with the Town and outlying communities.

Megan showed considerable aptitude and self motivation in pursuing issues that affected Aboriginal communities. She excelled in disease management follow up, food recalls, and continuing surveillance of food premises upgrades.

Luke's knowledge of Halls Creek and surrounding community members and issues was exceptionally useful. His established relationships allowed the dog control program to be re-instated, following the departure of Ranger Chris Seton.



The Sentinel Chicken Program showed pleasing results. The Shire maintains a flock of fowls as an early detection system for mosquito-borne viruses such as Ross River Virus, Barmah Forest Virus and Murray Valley Encephalitis.

None of these viruses showed up in the regular blood samples taken from the chickens.





## **6.0 EXECUTIVE MANAGER TECHNICAL SERVICES REPORT**

**Report by Colin Keen**

### **6.1 Introduction**

Undertaking operations in remote locations requires considerably more resourcing than other areas. In larger, areas where there is more choice for the principle and competition between suppliers exists. It is generally accepted that works undertaken in the bush can cost more than double that of other urbanised areas of Australia.

During the year the strategy has been to address or improve the efficiency and effectiveness of operations and management:

- Improve the reliability and calibre of local employees
- To improve the standard of plant and machinery
- Improve training provided to employees
- Contract works where appropriate
- Share risks
- Undertake cost analysis and positive management of resources, both direct and contract
- Development of management procedures and processes to ensure improved efficiencies
- Development of locally owned and operated contracting businesses including Indigenous operated

### **6.2 Roads**

#### **RURAL ROADS:**

The majority of all rural roads maintenance grading is now carried out by contractors. Cost analysis showed that it was uneconomic for the Shire to employ direct day labour and carry all plant and equipment to continue to undertake this work. As a result, one grader has been sold by public tender and accommodation units have been laid up while the outcomes are assessed. Contract graders are totally responsible for all their own supplies, repairs, maintenance and mobilisation. They are not so limited by employment legislation and when required can continue work seven days a week without interruption.

The cost saving to Council is considerable in that valuable resources are no longer required to carry out the following:

- Maintenance and preparation of plant and equipment
- Mobilisation of plant and equipment
- Transport of staff to and from remote locations
- Maintenance and repairs in remote locations



- Replacement of stolen goods from the camps (significant issue)
- Replacement of plant and equipment – the level of plant owned by the Shire can be reduced

Operation of contract works does require a high level of monitoring but is considered to be more efficient overall and shares some of the risk and responsibility of Council.

The Shire has undertaken extensive maintenance of rural roads and has adopted a strategy in association with MRWA. This strategy is to focus on improved drainage and clearance of the back cuts of rural roads. Maintaining clearances improves road safety, drainage and allows progressive transfer of materials back onto the pavement. With each maintenance grade it is intended to improve the formation and camber of the pavement thereby encouraging water to disperse. Subsequent grading after the Wet Season will be carried out more effectively and in a shorter time. The desired outcome is to have the roads trafficable for longer, closed for shorter periods and opened sooner.

Shire staff have been working closely with Aboriginal Communities and Government bodies to develop a cohesive approach to servicing remote communities – a partnership. The intension is to reduce duplication of services, become more cost effective and to create a 'whole of Government approach'.

The Shire of Halls Creek, Main Roads WA (MRWA) and the NT Government are working together to formulate a joint approach to Federal Government for the continued improvement and development of the Tanami Road. Significantly, the Shire has a much improved working relationship with MRWA.

Future planned improvements on the Duncan Road include construction of culverted floodways and realignment and reconstruction of the Black Alvirre river crossing.

All rural roads have been surveyed and data inputted to the ROMAN asset management system.

The two Shire owned traffic classifiers are in permanent operation, one on the Duncan Road and the other on the Tanami Road. Two other classifiers have been purchased and will be used on Aboriginal Community access roads.

Other rural road capital works have been carried out and are included under Special Projects further in this document. These include:

- Completion of the Sturt Creek (Billiluna) culverted bridge and sealing works on the Tanami Road
- Preparation for the 20km of formation, drainage and gravel sheeting through the Carranya Section of the Tanami Road
- Continued preparation for future realignment and drainage improvements through the Hills Section of the Tanami Road
- Completion of realignment and gravel sheeting of the Balgo Access Road
- Continued improvement of formation and gravel sheeting of the Mulan Access Road



- Improved formation, drainage and gravel sheeting on the Duncan Road
- Gravel sheeting to the Kundat Djara (Ringer Soak) Access Road
- Erection of new Shire of Halls Creek entry signs on all main routes
- Erection of road safety signs at all major Aboriginal Community Access Roads

### **URBAN ROADS:**

General maintenance of urban roads within the Halls Creek Townsite has been undertaken to the levels of expenditure determined by the budget allocations. A priority has been placed upon the maintenance and improvement of urban road verges and nature strips.

- Drainage channels have been cleaned and a scheduled program of works has been initiated.
- Inspections have been undertaken during wet weather to identify areas requiring further attention.
- All urban roads and footpaths have been surveyed and data inputted to the ROMAN Asset Management System
- Capital works have been carried out. These include:
  - Mardiwah Loop Access Road
  - Thomas and Hall Streets – drainage and kerbing
  - Drainage maintenance
  - New kerbing to Bridge and Roberta Avenue
  - Improved drainage to Kinivan Street

### **6.3 Townsite**

- The management strategy is to develop and encourage ownership and pride by town workers.
- There is now one (1) appointed worker to carry out maintenance at the Oval, Civic Hall Grounds and nature strips.
- Oval reticulation has been replaced with a semi manual method due to poor reliability of the old system together with the high level of vandalism.
- Drain clearing and maintenance has been carried out.
- New tractors and mowers have been purchased for the gardening crew
- A new stage has been constructed on the Oval specifically for the Croc Festival
- A level area has been constructed behind the new Aquatic Centre for use by visiting shows such as Fun Fairs and the like.
- The Racecourse has had new gates fitted and earth provided for the future construction of safe spectator areas.

- Plants and trees are being propagated for future beautification works planned.
- The site of the new cemetery extension has been cleared and surveyed



**Oval Maintenance Workers**

## **6.4 Utilities**

- Fire Hydrants are being serviced and maintained
- Work with the Water Corporation is ongoing, the Shire undertaking reinstatement works on a chargeable basis.
- The Shire continues to work co-operatively with Western Power, particularly in area of street lighting repairs, service and development.
- The Shire co-operates and assists Telstra with works around the Town.
- The strategic plan for the future is to develop an annual safety audit plan between the Shire and all utility providers. This will produce a safer system of infrastructure and improved coordination
- Capital works undertaken was new water and sewer mains to Stan Tremlett Drive. This was necessary for the sale of airport land to the Hotel but also facilitated new services to the airport where there had been major ongoing costs relating to an undetected water leak.

## **6.5 Works Depot**

- A new staff room and toilet has been provided at the Shire Works Depot.
- A reduction in plant carried has reduced service and maintenance requirement.
- Maintenance schedules have been introduced.
- Roadworthiness inspections of vehicles is being carried out progressively
- Small tools repairs are contracted out to Rogers Machinery



- A new electric gate has been installed at the depot to restrict and record access, this is to address the level of theft and pilfering from the site.
- A hydraulic can crusher has been installed in the Tanami shed.
- Signs have been racked and sorted.
- General house keeping and safety has been improved.
- Arrangements have been made to recycle old engine oil and batteries.

### **6.6 Ranger Services**

The Ranger worked under the control and management of the Executive Manager Technical services for a time.

### **6.7 Airport**

The Aviation Security Act 2004 came into effect on 15 March 2005. This has required considerable improvements to the security at the Halls Creek Airport:

- A full security fence has been constructed to the perimeter of the airport.
- A detailed security audit has been carried out and report prepared.
- Grant applications have been made for funding.
- Formal training of selected staff has been carried relating to security management.
- Annual safety inspections of the airport have been carried out.
- A number of staff have been trained to become Reporting Officers for the airport.
- The Shire continues to manage the airport fuel for AirBP. There has been a number of reliability issues with this installation to a level where the Shire cannot sustain the resources demanded.
- A new water service has been provided at the airport; this addressed major water wastage and associated costs.
- The extension of clearways on Runway 04/22 have been completed.

### **6.8 Waste Collection Services**

The waste collection service is in the process of being contracted out. A Can crushing plant has been installed at the Shire Depot and is operational.

### **6.9 Waste Management**

Improvements have been made to the tip site to limit the risk of blown rubbish.



## **6.10 Rural Communities**

The Shire is actively working with Aboriginal Communities and associated organisations to improve communications reduce duplication and encourage work and training opportunities.

Works include:

- New dams at Balgo
- Maintenance of tips at Balgo, Mulan and Billiluna
- Employing Community equipment at roadworks
- New tip at Billiluna
- Technical support and advice

## **6.11 Private Works**

Private works continued to be carried out to a restricted level and is now profitable. Private works are discouraged where local suppliers are available for the work. This is in accordance with the requirements of the Local Government Act 1995.

## **6.12 Administration**

Procedures and processes have been developed to allow improved and effective management of the Technical Services Department.

- Staff Appraisals are carried out for all staff.
- New uniforms have been introduced
- Better control of equipment issues has been introduced.
- Training is being planned on a regular basis.
- OH&S meetings have been revived and are to be chaired by a nominated Councillor.
- Roadwise Meetings are attended by the Executive Manager Technical Services
- Works orders continue to be used and developed.

## **6.13 Emergency Services**

The Executive Manager Technical Services is the nominated Chief Fire Control Officer. Support and assistance is provided to FESA. Full cooperation and liaison is given to Police, Hospital, Ambulance service and RFDS.



## **6.14 Special Projects**



**Aquatic Centre**

This project is of major significance to the Shire and has required considerable commitment of resources, both managerial and physical works. A combination of direct labour and contractors have been employed to carry out all major earthworks, drainage and other services to the main contractor.



**Clearway Extension to Runway 04/22**





**Thomas and Hall Street – Drainage and Kerbing Project**



**Tanami Road – Drainage and Contract Maintenance Grading**



**Construction of Culverts for the Sturt Creek Bridge**



## **7.0 EXECUTIVE MANAGER COMMUNITY DEVELOPMENT REPORT**

### **Report by Jo Morley**

#### **7.1 Introduction**

A new management position was created in 2004/05 to oversee the Community Development, Youth Services, Sport and Recreation, Tourism and the Swimming Pool and Recreation Complex (when operational). There were some staff changes with Jaime Hawkins resigning after 12 months in the position of Youth Services Co-Coordinator and Tancie O'Halloran has moved from administration into her new role managing the Visitors Centre.

#### **7.2 Community Development**

Geoff Vivian acted as interim Manager of Youth Services until I took up my position in February.

During this time he secured:

- A donation from Kimberley Nickel, owners of Sally Malay Mine, to fund the purchase of a bus for Youth Services.
- Funding from Lotterywest for a new 4WD Troop Carrier, also for Youth Services.

He also negotiated extra funding from the Department of Health and Ageing to:

- Extend our 'Gatekeeper' suicide prevention program so that people in outlying communities can learn this valuable skill.
- Offer School Holiday Dance Theatre programs to two desert communities.

He continues to seek opportunities for cultural development. During the year this has included:

- Securing the services of an interpretive designer and overseeing extensive community consultation, leading to the opening of the Old Police Trackers' Hut as an historic attraction for tourists and locals. He particularly wishes to acknowledge the help of Geoffrey Fletcher, Keith Jugarie and Veronica Jugarie. The project was commended by the Heritage Council and was featured in their magazine Heritage Matters.
- Managing the Shire's Art and Cultural Heritage Collection. This has included an exciting donation of slides and photographs from Mr John Graysmark, who as Officer-in-charge of Halls Creek Police, closed the Police Station at Old Town and opened the new Station in its present location in 1959.



**Mr Keith Jugarie, voluntarily maintaining the grounds of the Old Trackers' Hut**

He also advises and helps community members and groups with such matters as funding applications, liaison with State and Federal Government Departments, using the media and incorporating new associations.

Keith Lethbridge (seconded to the Shire from DIA) continues his project work with Indigenous organisations.

This includes:

- Ongoing governance training, financial management, business management and social development with such organisations as Tjurabalan Pastoral Company and Ngunjiwirri Aboriginal Corporation.
- Facilitation of Annual General and other Meetings of the many Indigenous Corporations within the Shire of Halls Creek. Issues include housing, Native Title, dispute resolution, governance training, preparation for musters and site protection.
- Working with the Elders Reference Group towards an Indigenous Justice Agreement for Halls Creek. Through this agreement, Elders will have a greater role in the Juvenile Justice Team meetings, support of children undergoing programs at the Galeru Youth Support Program at Mt Pierre and advising Magistrates at court.
- Participation in the District Health Advisory Council which advises the State Minister for Health on health-related matters of local concern.



### **7.3 Youth Services**

The Youth Services Unit has grown rapidly within the last six months, with the employment of 4 additional youth workers, all locals from Halls Creek.

Council has also entered into a memorandum of understanding with Garnduwa, to jointly provide sporting and recreational activities within Halls Creek Township and the Tjurabalan communities. Council provides subsidised housing, office space and other resources to the joint project, including staffing and the use of Shire vehicles as required.

Policies and procedures have been introduced relating to the day to day management of the Drop-In Centre and improvements were made to the premises, including an eye catching mural, the development of an art room, installation of basketball hoops in the back yard and safety fencing at the front of the building.



**Halls Creek Drop-In Centre**

An agreement was reached with Ngoonjuwah Aboriginal Corporation to host CDEP participants as youth worker trainees and activity leaders. This arrangement will continue throughout the next financial year and has the potential to provide increased employment for local residents.

Youth Services was successful in securing increased funding in May, to produce a series of dance/theatre workshops in Billiluna and Balgo in the next financial year. Rehearsals for a local dance presentation (at the Croc Festival) also commenced in March/April this year. The dance group is a community project with dancers from Wurlawurra School and the Drop-In Centre. Shire Staff are contributing to stage design and weekly rehearsals, with the TAFE ladies designing and sewing costumes.



**Community Member Eva Johnson preparing costumes for the Croc Festival. Dancer Della Johnson trying on a costume at Halls Creek Drop-in Centre**

#### **7.4 Visitors Centre**

Tancie O'Halloran, a Halls Creek resident of some years' standing, is now bringing a sense of stability and extensive local knowledge to the management of the Centre.

She is taking steps to have the Visitors Centre accredited with the National Tourism Accreditation Program. This is a well recognised standard of quality assurance for Visitors Centres, ensuring that travellers receive a high standard of customer service.

## 8.0 COUNCILLORS



**President Trish McKay**  
Town Ward (2007)



**Deputy President Jamie Savage**  
Town Ward (2007)



**Cr Max Thomas**  
North Ward (2007)



**Cr Stanley Bedford**  
Town Ward (2009)



**Cr Lynette Craig**  
Central Ward (2009)



**Cr Julianne Johns**  
South Ward (2009)



**Cr David Skeahan**  
South Ward (2007)



**Cr Harold Boomer**  
South Ward (2009)



**SHIRE OF HALLS CREEK**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2005**

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**SHIRE OF HALLS CREEK**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2005**

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**SHIRE OF HALLS CREEK**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2005**

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SHIRE OF HALLS CREEK

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Halls Creek being the annual financial report and other information for the financial year ended 30th June 2005 are in my opinion properly drawn up to present fairly the financial position of the Shire of Halls Creek at 30th June 2005 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 31<sup>st</sup> day of January 2006.



---

Peter McConnell  
Chief Executive Officer

**INDEPENDENT AUDIT REPORT  
TO THE ELECTORS OF THE SHIRE OF HALLS CREEK**

**Scope**

***The financial report and Council's responsibility***

The financial report comprises the operating statement, statement of financial position, statement of changes in equity, statement of cash flows and accompanying notes to the financial statements for the Shire of Halls Creek for the year ended 30 June 2005.

Council is responsible for the preparation and true and fair presentation of the financial report in accordance with the Local Government Act 1995 (as amended). This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

***Audit approach***

We conducted an independent audit in order to express an opinion to the electors of the Shire. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 (as amended), including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Shire's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Council.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedure, our audit was not designed to provide assurance on internal controls.

**Independence**

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

**Audit Opinion**

In our opinion, the financial report presents, fairly in accordance with the requirements of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended), applicable Accounting Standards and other mandatory professional reporting requirements, the financial position of the Shire of Halls Creek as at 30 June 2005 and the results of its operations and its cash flows for the year then ended.

**INDEPENDENT AUDIT REPORT  
TO THE ELECTORS OF THE SHIRE OF HALLS CREEK (continued)**

**Statutory Compliance**

During the course of our audit we became aware of the following instances where the Council did not comply with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

**Submission of Financial Report**

Balanced accounts and financial report for the year ended 30 June 2005 were not submitted to the auditor by 30 September 2005 as required by Section 6.4(3) of the Act.

**Management of Investments**

Internal control procedures to manage investments have not been documented as required by Financial Management Regulation 19.

**Annual Financial Report**

The annual financial report for the year ended 30 June 2004 was not submitted to the Director General of the Department of Local Government within 30 days of receipt by the CEO of the auditor's report, as prescribed by Financial Management Regulation 51(2).

**Other Matters**

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

- a) i) There are ~~no~~ matters that in our opinion indicate significant adverse trends in the financial position of the Shire. *eli*
- ii) Financial management practices of the Shire experienced a significant adverse trend as evidenced by:
- lack of processes and procedures (including reconciliations);
  - compliance breaches; and
  - the late completion of the 2004/05 annual financial report.
- b) Except as detailed above, there are no material 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.

UHY HAINES NORTON  
CHARTERED ACCOUNTANTS



DAVID TOMASI  
PARTNER

Date: 31 January 2006  
Perth, WA

**SHIRE OF HALLS CREEK**

**OPERATING STATEMENT**

**FOR THE YEAR ENDED 30TH JUNE 2005**

	<b>NOTE</b>	<b>2004/05 Actual \$</b>	<b>2004/05 Budget \$</b>	<b>2003/04 Actual \$</b>
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Governance		10,690	36,010	41,629
General Purpose Funding		3,090,755	3,082,390	2,870,047
Law, Order, Public Safety		13,944	5,140	5,746
Health		249,578	144,753	141,534
Education and Welfare		210,998	156,984	48,772
Housing		111,896	3,693,110	150,894
Community Amenities		188,179	160,650	127,294
Recreation and Culture		1,102,465	2,395,483	1,107,600
Transport		3,304,419	3,031,625	5,053,206
Economic Services		220,311	244,827	160,710
Other Property and Services		421,254	336,540	257,190
	3(b)	<u>8,924,489</u>	<u>13,287,512</u>	<u>9,964,622</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE</b>				
Governance		342,294	407,979	554,727
General Purpose Funding		46,000	46,000	46,000
Law, Order, Public Safety		173,671	140,443	251,160
Health		237,068	292,229	321,462
Education and Welfare		171,321	172,192	202,501
Housing		226,409	187,200	277,288
Community Amenities		457,179	471,641	404,104
Recreation & Culture		784,659	815,193	885,324
Transport		4,931,076	3,478,321	3,639,089
Economic Services		266,065	448,762	332,652
Other Property and Services		180,335	154,500	42,717
	3(b)	<u>7,816,077</u>	<u>6,614,460</u>	<u>6,957,024</u>
<b>BORROWING COSTS EXPENSE</b>				
Housing		60,570	59,169	23,293
Transport		4,668	3,690	6,499
	3(b)	<u>65,238</u>	<u>62,859</u>	<u>29,792</u>
<b>NET RESULT</b>		<u>1,043,174</u>	<u>6,610,193</u>	<u>2,977,806</u>

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



**SHIRE OF HALLS CREEK**  
**STATEMENT OF FINANCIAL POSITION**

**AS AT 30TH JUNE 2005**

	NOTE	2004/05 Actual \$	2003/04 Actual \$
<b>CURRENT ASSETS</b>			
Cash Assets	7	2,517,189	4,715,099
Receivables	9	1,265,089 ✓	403,585
Inventories	10	89,930 ✓	71,827
<b>TOTAL CURRENT ASSETS</b>		<u>3,872,208</u>	<u>5,190,511</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	12(a)	13,562,635 ✓	11,134,108
Infrastructure	11	6,395,956 ✓	6,150,997
<b>TOTAL NON-CURRENT ASSETS</b>		<u>19,958,591</u>	<u>17,285,105</u>
<b>TOTAL ASSETS</b>		<u>23,830,799</u>	<u>22,475,616</u>
<b>CURRENT LIABILITIES</b>			
Payables	15	559,926	145,491
Interest-bearing Liabilities	16(a)	132,269	83,713
Provisions	17(a)	130,421 ✗	169,273
<b>TOTAL CURRENT LIABILITIES</b>		<u>822,616</u>	<u>398,477</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing Liabilities	16(b)	790,446 ✓	880,136
Provisions	17(b)	41,656 ✓	64,096
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>832,102</u>	<u>944,232</u>
<b>TOTAL LIABILITIES</b>		<u>1,654,718</u>	<u>1,342,709</u>
<b>NET ASSETS</b>		<u>22,176,081 ✗</u>	<u>21,132,907</u>
<b>EQUITY</b>			
Retained Surplus		18,856,202	16,059,502
Reserves - Cash Backed	8(a)	1,655,392	3,408,918
Reserves - Asset Revaluation	8(c)	1,664,487	1,664,487
<b>TOTAL EQUITY</b>		<u>22,176,081 ✗</u>	<u>21,132,907</u>

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

**SHIRE OF HALLS CREEK**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30TH JUNE 2005**

	NOTE	2004/05 Actual \$	2003/04 Actual \$
<b>RETAINED SURPLUS</b>			
Balance as at 1 July 2004		16,059,502	14,666,554
Net Result		1,043,174	2,977,806
Transfers (to) Reserves		-317,127	-1,637,128
Transfers from Reserves		2,070,653	52,270
Balance as at 30 June 2005		<u>18,856,202</u>	<u>16,059,502</u>
<b>RESERVES - CASH BACKED</b>			
Balance as at 1 July 2004	8(a)	3,408,918	1,824,060
Amount Transferred from Retained Surplus		317,127	1,637,128
Amount Transferred to Retained Surplus		-2,070,653	-52,270
Balance as at 30 June 2005	8(a)	<u>1,655,392</u>	<u>3,408,918</u>
<b>RESERVES - ASSET REVALUATION</b>			
Balance as at 1 July 2004		1,664,487	1,664,487
Revaluation Increment		0	0
Revaluation Decrement		0	0
Balance as at 30 June 2005	8(c)	<u>1,664,487</u>	<u>1,664,487</u>
<b>TOTAL EQUITY</b>		<u>22,176,081</u>	<u>21,132,907</u>

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

**SHIRE OF HALLS CREEK**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE 2005**

	NOTE	2004/05 \$	2004/05 Budget \$	2003/04 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		654,696	910,570	556,003
Grants and Subsidies - operating		3,340,659	2,777,496	2,950,001
Contributions, Reimbursements & Donations		145,041	43,188	214,216
Fees and Charges		272,433	518,625	548,369
Interest Earnings Received		185,534	179,568	135,174
Goods and Services Tax		374,561	356,000	371,531
Other		78,688	1,013,312	32,828
		<u>5,051,612</u>	<u>5,798,759</u>	<u>4,808,122</u>
<b>Payments</b>				
Employee Costs		(1,917,100)	(1,779,363)	(1,579,760)
Materials and Contracts		(1,026,316)	(825,083)	(1,747,842)
Utilities (gas, electricity, water, etc)		(305,185)	(228,387)	(224,386)
Insurance		(209,452)	(124,859)	(112,142)
Interest		31,099	(59,169)	(23,293)
Goods and Services Tax		(374,561)	(356,000)	(358,373)
Other		(171,229)	(80,445)	(96,375)
		<u>(3,972,744)</u>	<u>(3,453,306)</u>	<u>(4,142,171)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>26(b)</b>	<b><u>1,078,868</u></b>	<b><u>2,345,453</u></b>	<b><u>665,951</u></b>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Buildings & Council Land	12(c)	(2,655,806)	(12,123,000)	(334,463)
Payments for Purchase of Office Furniture & Equipment	12(c)	(48,630)	(133,201)	(25,045)
Payments for Purchase of Property, Plant & Equipment	12(c)	(151,898)	(602,092)	(153,926)
Payments for Construction of Infrastructure	12(c)	(4,345,654)	(4,223,001)	(3,602,976)
Grants/Contributions for the Development of Assets		3,868,799	7,956,536	5,511,415
Proceeds from Sale of Plant & Equipment	12(b)	97,545	397,831	0
<b>Net Cash Provided By (Used In) Investing Activities</b>		<b><u>(3,235,644)</u></b>	<b><u>(8,726,927)</u></b>	<b><u>1,395,005</u></b>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	21(a)	(41,134)	(83,713)	(64,584)
Proceeds from New Debentures		0	2,640,000	580,000
<b>Net Cash Provided By (Used In) Financing Activities</b>		<b><u>(41,134)</u></b>	<b><u>2,556,287</u></b>	<b><u>515,416</u></b>
<b>Net Increase (Decrease) in Cash Held</b>		<b><u>(2,197,910)</u></b>	<b><u>(3,825,187)</u></b>	<b><u>2,576,372</u></b>
Cash at Beginning of Year		4,715,099	4,715,099	2,138,727
<b>Cash at End of Year</b>	<b>26(a)</b>	<b><u>2,517,189</u></b>	<b><u>889,912</u></b>	<b><u>4,715,099</u></b>

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Accounting**

The financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards and the Local Government Act 1995 (as amended) 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.

**(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 29 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 Statement of Financial Position are stated inclusive of applicable GST.

**(d) Land Held for Resale**

Any Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Such Costs include 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. No Depreciation has been applied to such Land or the development costs.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

**(e) Fixed Assets**

Property, plant and equipment and infrastructure assets are brought to account at cost or independent or management valuation less, where applicable, any accumulated depreciation or amortisation.

The value of all infrastructure assets (other than land under roads) has been recorded in the Statement of Financial Position. Bridges and land under roads are excluded from infrastructure in accordance with legislative requirements.

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Assets have been capitalised where the following thresholds have been exceeded :-

	Dollars
Land	\$0
Buildings	\$5,000
Plant and Equipment	\$3,000
Office Furniture and Equipment	\$1,500
Mobile Plant and Vehicles	\$3,000
Tools	\$1,500
Infrastructure - Roads Sealed	\$5,000
Infrastructure - Roads Unsealed	\$5,000
Infrastructure - Roads Footpaths and Cyclew	\$5,000
Infrastructure - Drainage	\$5,000
Infrastructure - Other	\$2,000

**(f) Depreciation of Non-Current Assets**

All non-current assets having a limited useful life are 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	20 to 100 years
Furniture and Equipment	3-10 years
Plant and Equipment	2 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	10-50 years
original surfacing and	
major re-surfacing	
- bituminous seals	10-20 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	10-50 years
gravel sheet	5-12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	10-50 years
Drainage	20-40 years
Footpaths - slab	20-40 years
Airport Runway - Surface	8-10 years

**(g) Leases**

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

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Details of such leases are included in note 18.

**(h) Investments**

All investments are valued at cost and interest on those investments is recognised when accrued. Details on Investment earnings are included in note 22 (b).

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) 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 statement of financial position and operating statement.

Information about the joint venture is set out in Note 23 of this Financial Report.

**(j) Employee Benefits**

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries are disclosed in note 17 and have been calculated as follows:

**(i) Wages, Salaries and Annual Leave**

The provision for employees' benefits to wages, salaries and annual leave represents the amount that the municipality has a present obligation to pay resulting from employees services 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**

The provision for employees' benefits for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees' service to balance date.

**(k) 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.

Rates details are included in all of note 5 items accompanying these statements.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Unless otherwise stated, the amounts contributed as Grants and Contributions to the Shire must be used for the specific purposes allocated, which are disclosed in note 4(a).

Where grants and 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 both notes 4(a) and 4(c). Revenue recognised in prior reporting periods and unspent at the beginning of this reporting period are disclosed in note 4(c). The extent that such monies were utilised during this reporting period is also disclosed in note 4(d). Grants and contributions recognised as revenue but not received at the close of the reporting period have been disclosed in note 4(b).

**(l) Superannuation**

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

**(m) Interest Rate Risk**

The Shire's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is considered negligible for all financial instruments other than borrowings, where the borrowings have a renewal arrangement. Information on any interest rate risk as applies to borrowings is disclosed in Note 22 (a).

**(n) Credit Risk Exposure**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of the financial report. Where the Shire has any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into, this is detailed in Note 22 (c).



SHIRE OF HALLS CREEK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) **Net Fair Values**

The net fair value of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the Council intends to hold these assets to maturity.

The aggregate net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial report.

(p) **Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions.

(q) **Inventories**

Current Asset Stock items on hand have been valued at acquisition costs. Stock items are issued to works on the basis of an averaging cost system.

(r) **Rounding Off Figures**

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

(s) **Comparative Figures**

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

(t) **Realisable Assets**

For the purposes of the calculation of Financial Ratios/Performance Measurements, realisable assets have been considered to be those assets which are not subject to any restrictions on realisation or use. Any liability represented by a restricted asset has been appropriately recorded separately and disclosed.

**SHIRE OF HALLS CREEK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2005**

**2. STATEMENT OF OBJECTIVES OF THE SHIRE**

The Shire is dedicated to providing high quality services to its community through various service orientated programs, within broad function areas. These are dissected as follows :-

**GOVERNANCE**

This function involves Elected Members expenses as well as Administration expenses including certain staff expenses

**GENERAL PURPOSE FUNDING**

This function includes Rates & General purpose Grants.

**LAW, ORDER, PUBLIC SAFETY**

This function includes Fire control, Dog & Animal control, & other Local Law issues.

**HEALTH**

This function includes food quality control.

**EDUCATION AND WELFARE**

This includes the Youth Services items

**HOUSING**

This includes staff housing items, as well as housing which is rented out to government organisations

**COMMUNITY AMENITIES**

This includes waste collection service, waste management site, cemetery items, town planning, & protection of the environment.

**RECREATION AND CULTURE**

This includes various Halls, the Swimming Pool, Sporting oval, Parks, Library, & other recreation reserves.

**TRANSPORT**

This includes maintenance of streets & rural roads, footpaths, depot, traffic signs, & the Airport.

**ECONOMIC SERVICES**

This includes Tourism, & Building Control items.,

**OTHER PROPERTY & UNCLASSIFIED SERVICES**

This includes private works, public works overheads, plant operating items, transport licencing, gross wages & their reallocation, & other items.

**SHIRE OF HALLS CREEK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2005**

<b>3. REVENUES AND EXPENSES</b>	<b>Note</b>	<b>2004/05 Actual \$</b>	<b>2004/05 Budget \$</b>	<b>2003/04 Actual \$</b>
<b>3(a) Result from Ordinary Activities</b>				
The Result from Ordinary Activities includes:				
(i) <i>Charging as an Operating Expense:</i>				
<b>Auditors Remuneration</b>				
- Other Services				
- Audit		12,671	15,164	14,581
		<u>12,671</u>	<u>15,164</u>	<u>14,581</u>
<b>Bad and Doubtful Debts</b>				
Rates		82,766	0	4,534
Sundry Debtors		20,000	0	1,226
		<u>102,766</u>	<u>0</u>	<u>5,760</u>
<b>Depreciation</b>				
Buildings		220,538	521,562	519,774
Furniture and Equipment		40,623	53,000	52,862
Plant and Equipment		242,881	292,800	314,937
Infrastructure - Roads, etc		4,100,695	2,388,784	2,410,133
13(b)		<u>4,604,737</u>	<u>3,256,146</u>	<u>3,297,706</u>
<b>Rental Charges</b>				
- Operating Leases		42,182	10,734	35,874
		<u>42,182</u>	<u>10,734</u>	<u>35,874</u>
<b>Borrowing Costs Expense</b>				
Debentures Interest Charges	21(a)	65,238	46,104	29,792
		<u>65,238</u>	<u>46,104</u>	<u>29,792</u>
(ii) <i>Crediting as Revenue:</i>				
<b>Interest Earnings</b>				
Investments-Municipal Fund; unrestricted monies	22(b)	72,181	37,000	44,817
- Reserve Funds	22(b)	171,918	128,218	90,357
Interest Revenue - Rates	5(c)	19,263	14,350	16,242
		<u>263,362</u>	<u>179,568</u>	<u>151,416</u>

## SHIRE OF HALLS CREEK

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

## 3. REVENUES AND EXPENSES (Continued)

3(b) Revenues and Expenses from Ordinary Activities Classified According to Nature and Type		2004/05 Actual	2004/05 Budget	2003/04 Actual
		\$	\$	\$
<b>Revenues from Ordinary Activities</b>				
Rates	5(a)	740,129	809,512	673,366
Grants and Subsidies - operating	4(a)	3,371,444	2,777,496	2,819,240
Grants and Subsidies - non-operating	4(a)	3,868,798	7,956,536	5,511,415
Contributions Reimbursements and Donations		145,812	43,188	214,216
Profit on Asset Disposals	12(b)	1,181	17,604	0
Fees and Charges	6	514,616	512,136	562,953
Interest Earnings	3(a)	263,362	179,568	151,416
Other Revenue		19,147	991,472	32,016
		<u>8,924,489</u>	<u>13,287,512</u>	<u>9,964,622</u>
<b>Expenses from Ordinary Activities</b>				
Employee Costs	30(b)	1,879,288	1,841,604	1,685,244
Materials and Contracts		718,801	1,061,722	1,445,711
Utilities (gas, electricity, water, etc)		305,185	233,361	224,386
Depreciation of Non-current Assets	13	4,604,737	3,256,146	3,297,706
Contribution, & Donations - Payments		28,118	26,940	23,664
Loss on Asset Disposals	12(b)	21,172	16,322	96,422
Insurance		209,452	124,859	112,142
Other		49,324	53,506	71,749
		7,816,077	6,614,460	6,957,024
Interest/Borrowing Expenses	21(a)	65,238	62,859	29,792
		<u>7,881,315</u>	<u>6,677,319</u>	<u>6,986,816</u>
<b>Net Result from Operations</b>		<u><u>1,043,174</u></u>	<u><u>6,610,193</u></u>	<u><u>2,977,806</u></u>

## SHIRE OF HALLS CREEK

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

## 4 GRANTS &amp; CONTRIBUTIONS

4(a) Grants &amp; Contributions recognised as revenue during the financial year were as follows :-

Government Source	Purpose of Grant or Contribution
<b>GENERAL PURPOSE FUNDING</b>	
Grants Commission	Untied Financial Assistance Grant
<b>LAW, ORDER, &amp; PUBLIC SAFETY</b>	
Local Govt, Transport, & Regional Development Department of Justice	Fire Break works & Fire Emergency expenses Community Safety & Crime Prevention
<b>HEALTH SERVICES</b>	
Department of Health Department of Health Department of Health	Aboriginal Health Services to remote communities Aboriginal Health Workers Aboriginal Health - Equipment
<b>WELFARE SERVICES</b>	
Department of Justice	Youth Suicide Prevention Program
Church Group	Youth Services - Wages & Expenses
Lotteries West	Youth Services - Wages & Expenses Youth Services - Wages & Expenses Purchase of "Troopie" Vehicle Youth Leadership Equipment
<b>HOUSING</b>	
Country Housing Authority	Construction of additional Housing-Triplex
<b>COMMUNITY AMENITIES</b>	
Department of Planning & Infrastructure	Employment of part time Planner
<b>RECREATIONAL &amp; CULTURAL</b>	
Dept of Transport & Regional Services ATIS	Aquatic Centre & Recreation Centre Construction Aquatic Centre & Recreation Centre Construction
Dept of Sport & Recreation Kimberley Development Commission	Aquatic Centre & Recreation Centre Construction Aquatic Centre & Recreation Centre Construction

2004/05 Year		2004/05 Year		2004/05 Year
REVENUE RECOGNISED		AMOUNTS UTILISED		AMOUNTS UNSPENT
Operating	Non-Operating	Operating	Non-Operating	Restricted Monies
2,115,286	0	2,115,286	0	0
<b>2,115,286</b>	<b>0</b>	<b>2,115,286</b>	<b>0</b>	<b>0</b>
2,000	0	2,000	0	0
11,200	0	0	0	11,200
<b>13,200</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>11,200</b>
75,000	0	0	0	0
107,696	0	0	0	0
0	65,000	0	14,659	50,341
<b>182,696</b>	<b>65,000</b>	<b>0</b>	<b>14,659</b>	<b>50,341</b>
30,000	0	16,188	0	13,812
54,065	0	54,065	0	0
47,180	0	47,180	0	0
5,000	0	5,000	0	0
0	48,150	0	48,150	0
5,000	0	5,000	0	0
0	10,812	0	10,812	0
<b>141,245</b>	<b>58,962</b>	<b>127,433</b>	<b>58,962</b>	<b>13,812</b>
0	50,000	0	50,000	0
<b>0</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>	<b>0</b>
48,285	0	48,285	0	0
<b>48,285</b>	<b>0</b>	<b>48,285</b>	<b>0</b>	<b>0</b>
0	125,000	0	125,000	0
0	5,220	0	5,220	0
0	866,308	0	866,308	0
0	50,000	0	50,000	0
<b>0</b>	<b>1,046,528</b>	<b>0</b>	<b>1,046,528</b>	<b>0</b>

# SHIRE OF HALLS CREEK

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

### 4 GRANTS & CONTRIBUTIONS

4(a) Grants & Contributions recognised as revenue during the financial year were as follows :-

Government Source	Purpose of Grant or Contribution
<b>TRANSPORT</b>	
Main Roads Department	Direct Grant-Special-Tanami Road works
Grants Commission	Untied FAGs Road Grant
Grants Commission	Special FAGs Allocations-Remote Ab Access Rds
Main Roads Department	Special Allocation's-Related to Special FAGs Allocation
Dept of Transport & Regional Services	Roads to Recovery - General/Various
Main Roads Department	Direct Projects Grants-Regional Road Group
Main Roads Department	Regional Road Group
Main Roads Department	Regional Road Group - Prior Year allocation
Main Roads Department	Black Spot Program
Dept of Transport & Regional Services	Airport Security Fencing
Main Roads Department	Direct Grants
Main Roads Department	Street Lighting Subsidy
Department of Planning & Infrastructure	Contribution towards Airport Works-Fencing/Mounds

### ECONOMIC SERVICES

Kimberley Development Commission	Croc Festival
Roadwise	Croc Festival

### UNCLASSIFIED SERVICES

Department of Health	Healthy Stores Program
Dept of Transport & Regional Services	COAG Trial - Tjurabalan
Dept of Transport & Regional Services	STEP - Other COAG Program
Kimberley Development Commission	Investigate Provision of Municipal Services

2004/05 Year		2004/05 Year		2004/05 Year
REVENUE RECOGNISED		AMOUNTS UTILISED		AMOUNTS UNSPENT
Operating	Non-Operating	Operating	Non-Operating	Restricted Monies
0	1,000,000	0	1,000,000	0
463,386	0	463,386	0	0
0	262,000	0	262,000	0
0	126,600	0	126,600	0
0	619,673	0	599,687	19,986
0	0	0	0	0
0	346,219	0	86,678	259,541
0	64,421	0	0	64,421
0	59,395	0	59,395	0
0	110,000	0	110,000	0
82,184	0	82,184	0	0
2,284	0	2,284	0	0
0	60,000	0	60,000	0
<b>547,854</b>	<b>2,648,308</b>	<b>547,854</b>	<b>2,304,360</b>	<b>343,948</b>
50,000	0	0	0	50,000
5,289	0	0	0	5,289
<b>55,289</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>55,289</b>
200,000	0	0	0	200,000
32,158	0	32,158	0	0
20,431	0	20,431	0	0
15,000	0	15,000	0	0
<b>267,589</b>	<b>0</b>	<b>67,589</b>	<b>0</b>	<b>200,000</b>
<b>3,371,444</b>	<b>3,868,798</b>	<b>2,908,447</b>	<b>3,474,509</b>	<b>674,590</b>
<b>7,240,242</b>				

4(b) Grants and Contributions recognised as revenue in the financial year but not yet received were as follows:-

Local Govt, Transport, & Regional Development	Fire Break works & Fire Emergency expenses	2,000	0
Department of Health	Aboriginal Health Workers	10,496	0
Dept of Sport & Recreation	Aquatic Centre & Recreation Centre Construction	0	415,787
Main Roads Department	Black Spot Program	0	59,395
Dept of Transport & Regional Services	Airport Security Fencing	0	110,000
		<b>12,496</b>	<b>585,182</b>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

**4 (Continued) GRANTS AND CONTRIBUTIONS****4(c) Grants - Amounts Unspent and recorded as Restricted Monies**

<i>Purpose</i>	<b>2004/05</b>	<b>2003/04</b>
Promotion of Tanami Road (NT Tourism Commission)	15,000	15,000
Youth Suicide Program	13,812	19,517
Aboriginal Health - Employment & Equipment	50,341	0
Healthy Stores Program	200,000	0
Safety & Crime Prevention	11,200	0
Croc Festival - Kimberley Development Commission	50,000	0
Croc Festival - Roadwise	5,289	0
HallStreet/Thomas Street (Roads to Recovery)	19,986	10,620
Duncan Road - Regional Road Group (RRG)	113,425	0
Duncan Road - Regional Road Group (RRG) - Special	210,537	0
Garden Project	0	36,023
Balgo Acces Road (Remote Access Road allocation)	0	48,000
Balgo Access Road (Main Roads Department)	0	93,000
Sturt Creek (Roads to Recovery)	0	33,153
Tanami Road (Roads to Recovery)	0	145,080
Roads to Recovery - Awaiting allocation	0	140,943
Tanami Road - Special MRD/RRG Allocation	0	1,053,739
	<u>689,590</u>	<u>1,595,075</u>

**4(d) Prior Period Restricted Monies utilised in reporting period**

	<b>2004/05</b>
Youth Suicide Program	19,517
HallStreet/Thomas Street (Roads to Recovery)	10,620
Garden Project	36,023
Balgo Acces Road (Remote Access Road allocation)	48,000
Balgo Access Road (Main Roads Department)	93,000
Sturt Creek (Roads to Recovery)	33,153
Tanami Road (Roads to Recovery)	145,080
Roads to Recovery - Awaiting allocation	140,943
Tanami Road - Special MRD/RRG Allocation	1,053,739
	<u>1,580,075</u>

**4(e) Prior Period Restricted Monies remaining not utilised at close of report period**

Promotion of Tanami Road (NT Tourism Commission)	<u>15,000</u>
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**4(f) Summary of Recognised Revenue - By Function**

	<b>2004/05 Operating</b>	<b>2004/05 Non-Operating</b>
Governance		
General Purpose Funding	2,115,286	0
Law, Order, Public Safety	13,200	0
Health	182,696	65,000
Education and Welfare	141,245	58,962
Housing	0	50,000
Community Amenities	48,285	0
Recreation and Culture	0	1,046,528
Transport	547,854	2,648,308
Economic Services	55,289	0
Other Property and Unclassified Services	267,589	0
	<u>3,371,444</u>	<u>3,868,798</u>

**4(g) Economic Dependency**

The Shire has a high dependency on Grants from the other tiers of Government.

The Shire's Operating Grants represented 66.69 % of the Shire's overall Available Operating Revenue.

# SHIRE OF HALLS CREEK

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

### 5(a) SUMMARY STATEMENT OF RATING INFORMATION

	Note	2004/05		2003/04
		Actual \$	Budget \$	Actual \$
Total rates revenue	5(d)	740,129	809,512	673,366
Less: Discounts Granted		0	0	0
		740,129	809,512	673,366
Less: Rates written off		0	0	-1,226
Add: Instalment Interest Charges		1,430	1,500	1,612
Late payment penalty Interest		17,833	12,850	14,630
Administration fee		924	2,150	2,290
		<u>760,316</u>	<u>826,012</u>	<u>690,672</u>

### 5(b) DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2004/05 FINANCIAL YEAR

The Shire does have any standard discounts, incentives, concessions, or write-offs.  
Any write-offs occur only by a separate resolution of the Council, as circumstances occur.

### 5(c) INTEREST CHARGES AND INSTALMENTS

The following Interest and Instalment charges applied during the reporting period :-

	Interest Rate %	Admin. Charge \$	Actual Revenue 2005 \$	Budgeted Revenue 2005 \$	Revenue 2004 \$
Interest on Unpaid Rates	10%		17,833	12,850	14,630
Interest on Instalments Plan	5%		1,430	1,500	1,612
Charges on Instalment Plan		\$12.00	924	2,150	2,290
			<u>20,187</u>	<u>16,500</u>	<u>18,532</u>

#### Option 1 (One Payment)

To pay the amount of rates and charges included on the rates notice in full by the 35th day after the rate notice issue.

#### Option 2 (Two Payments)

First instalment to be received by 2nd October 2004 including all arrears and half the current rates and service charges.

Second instalment to be paid by 2nd December 2004.

#### Option 3 (Four Payments)

Ratepayers paying rates in four equal instalments, had the following due dates :-

1st Instalment	2nd October 2004
2nd Instalment	2nd December 2004
3rd Instalment	2nd February 2005
4th Instalment	1st April 2005

Administration charges and interest applied for the final three instalments.

The cost of the Instalment Plan comprised 5%pa Interest, calculated daily, together with an Administration Charge of \$4.00 per Instalment, after the 1st Instalment has been paid.

**SHIRE OF HALLS CREEK**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2005**

**5(d) DETAILED STATEMENT OF RATING INFORMATION FOR YEAR ENDED 30 JUNE 2005**

PARTICULARS	Number of Properties	Rateable Value	Rate in Dollar or Minimum	Rate Revenue	Interim Rates	Back Rates	Total Rates Revenue	Discounts Granted	Net Total Rates Revenue	Budget Rate Revenue	Budget Interim rates	Budget Back Rates	Total Budget Rate Revenue
GENERAL RATE -GRV													
Residential	307	4,124,797	8.700	358,857	0	0	358,857	0	358,857	358,857	1,000	0	359,857
UNIMPROVED VALUE -UV													
Rural/Pastoral	42	2,267,740	7.120	161,463	0	0	161,463	0	161,463	161,423	1,000	0	162,423
Mining	203	2,556,349	8.120	207,575	10,249	-82,766	135,058	0	135,058	203,522	3,000	0	206,522
	<b>552</b>	<b>8,948,886</b>		<b>727,895</b>	<b>10,249</b>	<b>-82,766</b>	<b>655,378</b>	<b>0</b>	<b>655,378</b>	<b>723,802</b>	<b>5,000</b>	<b>0</b>	<b>728,802</b>
MINIMUM RATE -GRV													
Residential	10	16,155	340	3,400	0	0	3,400	0	3,400	3,400	0	0	3,400
	0	0	0	0	0	0	0	0					0
MINIMUM RATE -UV													
Rural/Pastoral	4	5,124	340	1,360	0	0	1,360	0	1,360	1,360	0	0	1,360
Mining	156	337,838	490	76,440	3,551		79,991	0	79,991	75,950	0	0	75,950
	<b>170</b>	<b>359,117</b>		<b>81,200</b>	<b>3,551</b>	<b>0</b>	<b>84,751</b>	<b>0</b>	<b>84,751</b>	<b>80,710</b>	<b>0</b>	<b>0</b>	<b>80,710</b>
TOTAL RATES REVENUE	<b>722</b>	<b>9,308,003</b>	<b>0.000</b>	<b>809,095</b>	<b>13,800</b>	<b>-82,766</b>	<b>740,129</b>	<b>0</b>	<b>740,129</b>	<b>804,512</b>	<b>5,000</b>	<b>0</b>	<b>809,512</b>

**SHIRE OF HALLS CREEK**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2005**

**5(e) DIFFERENTIAL RATES**

The Council did not levy any such rates in the reporting period.

**5(f) SPECIFIED AREA RATES**

The Council did not levy any such rates in the reporting period.

**5(g) SERVICE CHARGES**

The Council did not levy any such charges in the reporting period.

**5(h) EMERGENCY SERVICES LEVY**

This was levied in accordance with the legislation, and at the levels advised by FESA.

	<b>2004/05 Actual \$</b>	<b>2004/05 Budget \$</b>	<b>2003/04 Actual \$</b>
Minimum Charge	\$30.00	\$30.00	\$30.00
Maximum Charge - Residential	\$175.00	\$175.00	\$175.00
Rate in the dollar	0.0044	0.0044	0.0044
Yield	<u>23,642</u>	<u>23,600</u>	<u>20,423</u>

[Note: The ESL is collected by Councils for the State Government's Fire & Emergency Services Authority  
The money is sent onto FESA after the Rate Due date]

**6 FEES AND CHARGES**

	<b>2004/05 Actual \$</b>	<b>2004/05 Budget \$</b>	<b>2003/04 Actual \$</b>
General Purpose Funding	1,210	2,150	2,290
Governance	1,375	500	1,302
Law, order public safety	290	90	90
Health	350	200	242
Housing	59,585	68,540	51,670
Community amenities	132,294	115,550	109,075
Recreation and culture	47,645	62,983	108,406
Transport	86,166	69,300	54,705
Economic services	121,786	102,401	109,001
Other Property & Services	63,915	90,422	126,172
	<u>514,616</u>	<u>512,136</u>	<u>562,953</u>

# SHIRE OF HALLS CREEK

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

### 7 CASH

	2004/2005	2003/2004
	\$	\$
Cash on hand	15904, 15906 650	500
Cash at bank	978,357	1,305,681
Short Term Deposits	- 1,538,182	3,408,918
	<b>2,517,189</b>	<b>4,715,099</b>
Represented by:-		
Restricted Unexpended loan funds	15901 0	559,928
Restricted Reserve funds	525001, 525002 1,655,392	3,408,918
Restricted Other restricted funds	15903 689,590	1,595,075
Unrestricted	172,207	-848,822
	<b>2,517,189</b>	<b>4,715,099</b>

The Shire has operated an Overdraft at the bank, and this is disclosed in note 21(g)

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

(a)	Unexpended loan funds	0	559,928
(b)	Reserve funds [See note 8(a)]	1,655,392	3,408,918
(c)	Other restricted funds [See note 4(c) & below]	689,590	1,595,075
		<b>2,344,982</b>	<b>5,563,921</b>

Grants and contributions recognised as revenues during the financial year in respect of which expenditure had not been made or spent in the manner specified by the contributor were :-

Promotion of Tanami Road (NT Tourism Commission)	15,000	15,000
Youth Suicide Program	13,812	19,517
Aboriginal Health - Employment & Equipment	50,341	0
Healthy Stores Program	200,000	0
Safety & Crime Prevention	11,200	0
Croc Festival - Kimberley Development Commission	50,000	0
Croc Festival - Roadwise	5,289	0
HallStreet/Thomas Street (Roads to Recovery)	19,986	10,620
Duncan Road - Regional Road Group (RRG)	113,425	0
Duncan Road - Regional Road Group (RRG) - Special	210,537	0
Garden Project	0	36,023
Balgo Acces Road (Remote Access Road allocation)	0	48,000
Balgo Access Road (Main Roads Department)	0	93,000
Sturt Creek (Roads to Recovery)	0	33,153
Tanami Road (Roads to Recovery)	0	145,080
Roads to Recovery - Awaiting allocation	0	140,943
Tanami Road - Special MRD/RRG Allocation	0	1,053,739
	<b>689,590</b>	<b>1,595,075</b>

SHIRE OF HALLS CREEK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

8(a) RESERVES - CASH BACKED

	2004/2005		2003/2004
	Actual	Budget	Actual
	\$	\$	\$
<b>Employees Leave Entitlement Reserve</b>			
Opening balance	52,175	52,175	50,000
Transfer from accumulated surplus	2,662	2,087	2,175
Transfer to accumulated surplus	0	0	0
<b>Closing balance</b>	<b>54,837</b>	<b>54,262</b>	<b>52,175</b>
<b>Office Equipment Reserve</b>			
Opening balance	0	0	0
Transfer from accumulated surplus	30,489	30,600	0
Transfer to accumulated surplus	0	0	0
<b>Closing balance</b>	<b>30,489</b>	<b>30,600</b>	<b>0</b>
<b>Office Redevelopment Reserve</b>			
Opening balance	150,539	150,539	127,650
Transfer from accumulated surplus	44,118	20,424	22,889
Transfer to accumulated surplus	-172,447	-170,963	0
<b>Closing balance</b>	<b>22,210</b>	<b>0</b>	<b>150,539</b>
<b>Airport Capital Works Reserve</b>			
Opening balance	113,183	113,183	136,257
Transfer from accumulated surplus	5,775	4,317	5,926
Transfer to accumulated surplus	-118,958	-117,500	-29,000
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>113,183</b>
<b>Airport Operating/Works Reserve</b>			
Opening balance	535,000	535,000	535,000
Transfer from accumulated surplus	27,296	21,400	23,271
Transfer to accumulated surplus	-162,296	-49,000	-23,271
<b>Closing balance</b>	<b>400,000</b>	<b>507,400</b>	<b>535,000</b>
<b>Plant Replacement Reserve</b>			
Opening balance	200,888	200,888	97,426
Transfer from accumulated surplus	10,249	8,212	103,462
Transfer to accumulated surplus	-18,900	-107,000	0
<b>Closing balance</b>	<b>192,237</b>	<b>102,100</b>	<b>200,888</b>
<b>Staff Housing Reserve</b>			
Opening balance	135,079	135,079	19,017
Transfer from accumulated surplus	6,644	5,405	116,062
Transfer to accumulated surplus	-54,209	-38,000	0
<b>Closing balance</b>	<b>87,514</b>	<b>102,484</b>	<b>135,079</b>
<b>Aquatic Centre Reserve</b>			
Opening balance	1,959,134	1,959,134	681,512
Transfer from accumulated surplus	102,287	232,187	1,277,622
Transfer to accumulated surplus	-1,448,436	-2,191,321	0
<b>Closing balance</b>	<b>612,985</b>	<b>0</b>	<b>1,959,134</b>

## SHIRE OF HALLS CREEK

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

## 8(a) RESERVES - CASH BACKED (Continued)

	2004/2005		2003/2004	
	Actual \$	Budget	\$ Actual	\$
<b>Recreation Reserve</b>				
Opening balance	172,145	172,145	90,208	
Transfer from accumulated surplus	82,975	81,307	81,937	
Transfer to accumulated surplus	0	-253,452	0	
<b>Closing balance</b>	<u>255,120</u>	<u>0</u>	<u>172,145</u>	
<b>Drainage Reserve</b>				
Opening balance	62,553	62,553	59,946	
Transfer from accumulated surplus	3,192	2,503	2,607	
Transfer to accumulated surplus	-65,745	0	0	
<b>Closing balance</b>	<u>0</u>	<u>65,056</u>	<u>62,553</u>	
<b>Rural Transaction Reserve</b>				
Opening balance	28,222	28,222	27,045	
Transfer from accumulated surplus	1,440	1,129	1,177	
Transfer to accumulated surplus	-29,662	-29,351	0	
<b>Closing balance</b>	<u>0</u>	<u>0</u>	<u>28,222</u>	
	<u><b>1,655,392</b></u>	<u><b>861,902</b></u>	<u><b>3,408,918</b></u>	

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All of the cash backed reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 7 to this financial report.

It is anticipated the reserves will be utilised as follows:-

Leave Reserve - as staff take leave

Airport Operating Reserve - interest used to maintain operating expense

Airport Capital Works Reserve - within 6 years for improvements and airstrip reseal

Plant- Roadmaking Reserve - progressively as needed

Building - Staff Housing Reserve - within 5 years

Council Offices Redevelopment - within 2 years

Swimming Pool/Aquatic Centre Reserve - within 2 years

Recreation Reserve - With Swimming Pool & as facilities are needed within the Shire

Drainage Reserve - on going, to construct drainage within the Halls Creek township

Rural Transaction Centre - within one year

## 8(b) RESERVES - CHANGE OF PURPOSES

There was no change in purpose of any of the Reserves Accounts during the reporting period.

## 8(c) RESERVES - ASSET REVALUATION

	2004/2005		2003/04	
	Actual \$	Budget	\$ Actual	\$
<b>Asset Revaluation Reserve - Land</b>				
Opening balance	482,000	482,000	482,000	
Revaluation increment on land	0	0	0	
Revaluation decrement on land	0	0	0	
<b>Closing balance</b>	<u>482,000</u>	<u>482,000</u>	<u>482,000</u>	
<b>Asset Revaluation Reserve - Buildings</b>				
Opening balance	1,182,487	1,182,487	1,182,487	
Revaluation increment on land	0	0	0	
Revaluation decrement on land	0	0	0	
<b>Closing balance</b>	<u>1,182,487</u>	<u>1,182,487</u>	<u>1,182,487</u>	
	<u><b>1,664,487</b></u>	<u><b>1,664,487</b></u>	<u><b>1,664,487</b></u>	



SHIRE OF HALLS CREEK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

9 RECEIVABLES

	2004/2005	2003/2004
	\$	\$
Current		
Rates outstanding	310,917 +	205,484
Sundry debtors	1,004,172 +	228,101
Less Provision for doubtful debts	-50,000 +	-30,000
	<u>1,265,089</u>	<u>403,585</u>

10 INVENTORIES

Current		
Fuel and materials - at cost	52,533 +	24,872
Tourist Centre - Items for Resale - at cost	37,397 +	46,955
	<u>89,930 +</u>	<u>71,827</u>

80 + 7

SHIRE OF HALLS CREEK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

	2004/2005 \$	2003/2004 \$
<b>11 INFRASTRUCTURE - SUMMARY</b>		
Roads - At Council Valuation	48,619,024	48,619,024
Roads constructed - at cost	15,267,862	11,380,033
Less Accumulated depreciation	(59,440,343)	(55,566,946)
	<u>4,446,543</u>	<u>4,432,111</u>
Infrastructure assets - other - at cost	2,300,588	2,300,588
Infrastructure Constructed - at cost	1,997,258	1,539,433
Less Accumulated depreciation	(2,348,433)	(2,121,135)
	<u>1,949,413</u>	<u>1,718,886</u>
<b>Total Infrastructure - Net Book Value</b>	<u><u>6,395,956</u></u>	<u><u>6,150,997</u></u>

The valuation of infrastructure assets was based on its written down current replacement cost based on an estimate of its remaining useful life. The estimate is based on the assessed condition of the asset at June 1997. The valuation was prepared by Council staff as at 30 June 1997.

The revaluation was made in accordance with a regular policy of revaluing infrastructure assets regularly. It is proposed that a new valuation be calculated by 30 June 2006.

**12(a) PROPERTY, PLANT, AND EQUIPMENT - SUMMARY**

Land - At Council Valuation	1,612,000	1,612,000
	<u>1,612,000</u>	<u>1,612,000</u>
Buildings - at Council Valuations	4,422,734	4,422,734
Buildings - at cost	6,248,284	3,592,478
Less Accumulated depreciation	(1,154,211)	(933,673)
	<u>9,516,807</u>	<u>7,081,539</u>
Plant and equipment - at cost	4,583,802	4,431,904
Less Accumulated depreciation	(2,354,087)	(2,187,441)
	<u>2,229,715</u>	<u>2,244,463</u>
Office furniture and equipment - at cost	559,034	510,404
Less Accumulated depreciation	(354,921)	(314,298)
	<u>204,113</u>	<u>196,106</u>
<b>Total Property, Plant and Equipment - Net Book Value</b>	<u><u>13,562,635</u></u>	<u><u>11,134,108</u></u>

**12(b) DISPOSAL OF ASSETS**

	Net Book Value		Sale Price		Profit/Loss
	Actual	Budget	Actual	Budget	Actual
Land	0	0	0	0	0
Buildings	0	0	0	0	0
Furniture & Fittings	0	0	0	0	0
Plant & Equipment	0	256,052		263,000	0
Mobile plant & vehicles	117,536	140,497	97,545	134,831	-19,991
	<u>117,536</u>	<u>396,549</u>	<u>97,545</u>	<u>397,831</u>	<u>-19,991</u>

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**SHIRE OF HALLS CREEK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2005**

**12 PROPERTY, PLANT, EQUIPMENT, AND INFRASTRUCTURE (Continued)**

**12(c) Movements in Carrying Amounts**

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

	Land	Buildings	Plant Equipment	Furniture Equipment	Infrastructure	Total
<b>Asset Cost</b>						
Opening Balance 1 July 2004	1,612,000	8,015,212	4,431,904	510,404	63,839,078	78,408,598
- Assets Purchased/Acquired	0	2,655,806	151,898	48,630	4,345,654	7,201,988
- Cost of Assets sold	0	0	0	0	0	0
- Write-downs	0	0	0	0	0	0
- revaluation	0	0	0	0	0	0
- other movements	0	0	0	0	0	0
Balance as at 30 June 2005	1,612,000	10,671,018	4,583,802	559,034	68,184,732	85,610,586

	Land	Buildings	Plant Equipment	Furniture Equipment	Infrastructure	Total
<b>Accumulated depreciation</b>						
Opening Balance 1 July 2004	0	933,673	2,187,441	314,298	57,688,081	61,123,493
- Depreciation expense	0	220,538	166,646	40,623	4,100,695	4,528,502
- assets sold	0	0	0	0	0	0
- write-downs	0	0	0	0	0	0
- revaluation	0	0	0	0	0	0
- other movements	0	0	0	0	0	0
Balance as at 30 June 2005	0	1,154,211	2,354,087	354,921	61,788,776	65,651,995
<b>Net value of assets</b>	1,612,000	9,516,807	2,229,715	204,113	6,395,956	19,958,591

SHIRE OF HALLS CREEK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

	2004/05 Actual \$	2004/05 Budget \$	2003/04 Actual \$
<b>13(a) DEPRECIATION - BY FUNCTION</b>			
Governance	37,970	50,000	45,833
Law, Order, Public Safety	0	0	16,620
Health	994	5,365	5,365
Housing	30,784	41,000	33,008
Community Amenities	18,391	19,372	20,723
Recreation and Culture	249,290	256,270	255,718
Transport	4,026,465	2,690,219	2,668,770
Other Property and Services	240,843	193,920	251,669
	<u>4,604,737</u>	<u>3,256,146</u>	<u>3,297,706</u>

<b>13(b) DEPRECIATION - BY CLASS OF ASSETS</b>			
Buildings	220,538	521,562	519,774
Furniture and Equipment	40,623	53,000	52,862
Plant and Equipment	242,881	292,800	314,937
Infrastructure - Roads	<u>4,100,695</u>	<u>2,388,784</u>	<u>2,410,133</u>
	<u>4,604,737</u>	<u>3,256,146</u>	<u>3,297,706</u>

<b>14(a) TOTAL ASSETS - BY FUNCTION</b>		
Carrying Amount of Asset - By Function		
	2004/05 Actual	2003/04 Actual
Governance	887,028	589,809
Law, Order, Public Safety	65,258	32,502
Health	77,029	35,101
Education and Welfare	65,266	0
Housing	2,654,005	2,277,585
Community Amenities	38,024	58,747
Recreation and Culture	7,605,755	7,957,081
Transport	8,480,921	7,726,441
Other Property and Services	<u>3,957,513</u>	<u>3,798,350</u>
	<u>23,830,799</u>	<u>22,475,616</u>

<b>14(b) NET FIXED ASSETS - BY CLASS OF ASSETS</b>		
Land	1,612,000	1,612,000
Buildings	9,516,807	7,081,539
Plant and Equipment	2,229,715	2,244,463
Furniture and Equipment	204,113	196,106
Infrastructure - Roads	4,446,543	4,432,111
Infrastructure - Other	<u>1,949,413</u>	<u>1,718,886</u>
	<u>19,958,591</u>	<u>17,285,105</u>

SHIRE OF HALLS CREEK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

	2005 \$	2004 \$
<b>15. PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	390,988	70,250
Accrued Expenses <i>shaded include account</i>	107,737 <i>m</i>	13,000
Accrued Salaries and Wages	61,201 <i>m</i>	62,241
	<u>559,926</u>	<u>145,491</u>
<b>16 INTEREST-BEARING LIABILITIES</b>		
<b>16(a) Current</b>		
Debentures	<i>X</i> <u>132,269</u> <i>X</i>	<u>83,713</u>
	<u>132,269</u>	<u>83,713</u>
<b>16(b) Non-Current</b>		
Debentures	<u>790,446</u> ✓	<u>880,136</u>
	<u>790,446</u> ✓	<u>880,136</u>
	<i>922,715</i>	
Additional details on floating charge debentures/borrowings are provided in Note 22(a).		
<b>17 PROVISIONS - EMPLOYEE BENEFITS</b>		
<b>17(a) Current</b>		
Provision for Annual Leave	91,525 <i>m</i>	89,290
Provision for Long Service Leave	38,896 <i>m</i>	79,983
	<u>130,421</u> <i>m</i>	<u>169,273</u>
<b>17(b) Non-Current</b>		
Provision for Long Service Leave	<u>41,656</u> <i>m</i>	<u>64,096</u>
	<u>41,656</u> <i>m</i>	<u>64,096</u>
<b>Total of Employee Benefits</b>	<u>172,077</u> <i>m</i>	<u>233,369</u>

SHIRE OF HALLS CREEK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

18 CAPITAL AND LEASING COMMITMENTS	2004/05 Actual \$	2003/04 Actual \$
<b>18(a) Finance Lease Commitments</b>		
Payable:		
- not later than one year	0	0
- later than one year but not later than five years	0	0
- later than five years	0	0
Minimum Lease Payments	<u>0</u>	<u>0</u>
Less Future Finance Charges	<u>0</u>	<u>0</u>
Total Lease Liability	<u>0</u>	<u>0</u>
<b>18(b) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	17,911	2,480
- later than one year but not later than five years	14,109	0
- later than five years	0	0
	<u>32,020</u>	<u>2,480</u>
<b>19 CAPITAL EXPENDITURE COMMITMENTS</b>		
<i>Contracted &amp; payable within one year for:</i>		
<i>- capital expenditure projects</i>		
Construction of Staff Housing Triplex	16,650	609,366
Construction of Aquatic & Recreation Centre	5,220,000	0
Construction of new Offices	152,000	0
	<u>5,388,650</u>	<u>609,366</u>

**20 CONTINGENT LIABILITIES**

There were no known contingent liabilities as at the close of the reporting period.

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

## 21(a) DEBENTURE/LOAN REPAYMENTS

Loan Purpose	Loan #	Principal 1st July	Loans Raised	Interest & Charges		Principal Repayments		Principal 30th June	
				Budget	Actual	Budget	Actual	Budget	Actual
Airstrip - Seal Runway	20	65,276	0	4,668	4,668	24,608	12,065	40,669	53,211
Housing-Staff Duplex	21	174,280	0	11,075	11,075	30,457	14,980	143,823	159,300
Housing - Staff House	22	144,293	0	9,392	9,392	14,175	6,971	130,118	137,322
Housing-Staff Triplex	23	580,000	0	20,969	40,103	14,473	7,118	565,527	572,882
		963,849	0	46,104	65,238	83,713	41,134	880,137	922,715

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## 21(b) REMAINING UNUSED LOAN BORROWINGS

As at the close of the Financial Year there were no unused loan borrowings on hand. For the previous financial year there was \$559,928 unused loan borrowing funds, relating to loan 23, as the Housing Triplex was still under construction.

## 21(c) CHANGE OF PURPOSE OF BORROWINGS

There has been no change of purpose of any of Council's borrowed funds during the reporting period.

## 21(d) RENEWED AND REFINANCING OF BORROWINGS

There were no borrowings which were renewed or refinanced during the reporting period, or that of the 2 previous reporting periods.

## 21(e) REIMBURSING COUNCIL FOR LOAN REPAYMENTS

There are no arrangements with any external organisation or individual for reimbursing Council for its loan repayments.

## 21(f) FINANCING OF LOAN PAYMENTS

All loan repayments were financed from Council's General Purpose Revenue

## 21(g) PRINCIPAL OWING - BY FUNCTION

	2004/05	2003/04
Housing	869,504	898,573
Transport	53,211	65,276
	<u>922,715</u>	<u>963,849</u>

## 21(h) OVERDRAFT DETAILS

Council has an Overdraft arrangement with its banker of \$50,000 at the prevailing interest rate agreed by both parties [currently at 8.45%]

	2004/05	2003/04
At the close of the reporting periods, the balances owing were as follows	<u>0</u>	<u>0</u>



SHIRE OF HALLS CREEK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

22 FINANCIAL INSTRUMENTS

22(a) Interest Rate Risk

At 30 June	Weighted Average Interest Rate		Floating Interest Rate		Fixed Interest Rate Within 1 Year		Fixed Interest Maturing 1 to 5 years		Fixed Interest Maturing Greater Than 5 Years	
	2004/2005 %	2003/2004 %	2004/2005 \$	2003/2004 \$	2004/2005 \$	2003/2004 \$	2004/2005 \$	2003/2004 \$	2004/2005 \$	2003/2004 \$
<b>Financial Assets</b>										
Cash at Bank	4.00%	4.00%	0	0	0	0	0	0	0	0
Term Deposits	4.25%	4.25%	1,538,182	3,408,918	0	0	0	0	0	0
<b>Total Financial Assets</b>			1,538,182	3,408,918	0	0	0	0	0	0
<b>Financial Liabilities</b>										
Bank Overdraft	8.45%	8.45%	8.25%	8.25%	0	0	0	0	0	0
Borrowings	6.86%	6.86%	0.00%	0.00%	0	0	500,000	500,000	750,000	750,000
<b>Total Financial Liabilities</b>					0	0	500,000	500,000	750,000	750,000

22(b) Interest Earned & Overdraft Interest Paid

Interest Earned-Unrestricted	72,181	44,817
Interest Earned-Reserves	171,918	90,357
	<u>244,099</u>	<u>135,174</u>

22(c) Credit Risk Exposure

Council does not have any material credit risk to any single debtor under any financial instruments entered into.

22(d) Disclosure

The aggregate net fair values and carry amounts of financial assets and financial liabilities are disclosed in the balance sheet and the notes to and forming part of the accounts.

23 JOINT VENTURE

Council has not been involved in any Joint Venture arrangements.

SHIRE OF HALLS CREEK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2005

**24 MAJOR LAND TRANSACTIONS**

Council was not involved in any major land transactions, as defined by the statutes, during the reporting period.

Council has previously been involved in providing Industrial land. These are disclosed in note 10(b), & the movements in note 10(c).

**25 TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council did not participate in any trading undertakings or major trading undertakings during the 2004/05 financial year..

**26 NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments, 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:

	2004/05 \$	2003/04 \$
Cash Assets	<u>2,517,189</u>	<u>4,715,099</u>

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

Net Result	-1,043,174	-2,977,806
Depreciation	-4,604,737	-3,297,706
Bad and Doubtful Debts	-20,000	-5,760
Increase/(Decrease) in Rate Receivables	69,645	124,085
Increase/(Decrease) in Other Receivables	776,071	-101,547
(Increase/Decrease) in GST positions		-13,159
Increase/(Decrease) in Payables/Creditors	-320,738	262,264
(Profit)/Loss on Sale of Asset	19,991	-96,422
Increase/(Decrease) in Inventories	18,103	34,169
Grants & Contributions - Changes & Net of Accruals; & Non-Cash	218,465	-36,888
Increase/(Decrease) in Net Accruals		
Increase/(Decrease) in Employee Provisions	-61,292	-68,596
Grants/Contributions for the Development of Assets	<u>3,868,798</u>	<u>5,511,415</u>
<b>Net Cash from Operating Activities</b>	<u>-1,078,868</u>	<u>-665,951</u>

**(c) Credit Standby Arrangements**

Bank Overdraft limit	50,000	50,000
Bank Overdraft at Balance Date	<u>0</u>	<u>0</u>
<b>Total Amount of Credit Unused</b>	<u>50,000</u>	<u>50,000</u>

**(d) Loan Facilities**

Loan Facilities - Current	132,269	83,713
Loan Facilities - Non-Current	<u>790,446</u>	<u>880,136</u>
<b>Total Facilities in Use at Balance Date</b>	<u>922,715</u>	<u>963,849</u>

<b>Unused Loan Facilities at Balance Date</b>	<u>0</u>	<u>0</u>
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**SHIRE OF HALLS CREEK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

**27 COMPARISON WITH RATE SETTING BUDGET**

- 27(a)** Statement of amounts included in the rate setting statement but which have not been included in the operating statement.

	<b>2004/2005</b>	
	<b>Actual</b>	<b>Budget</b>
<b>Non operating income</b>		
<i>Proceeds from disposal of assets:-</i>		
Land	0	0
Buildings	0	0
Furniture and Equipment	0	0
Plant and equipment	0	263,000
Motor Vehicles	117,536	134,831
<i>Loans raised</i>		
<i>Transfer from reserves</i>	1,272,641	2,879,586
	<b>1,390,177</b>	<b>3,277,417</b>
<b>Non operating expenditure</b>		
<i>Purchase of assets:-</i>		
Buildings	2,654,348	12,123,000
Mobile plant and vehicles	315,543	588,092
Plant and equipment	30,127	14,000
Furniture and equipment	48,630	133,201
Infrastructure assets	4,349,103	4,223,001
Repayment of loans	83,713	83,713
Transfer to reserves	467,127	409,568
<b>TOTAL</b>	<b>7,948,591</b>	<b>17,574,575</b>

- 27(b)** The net difference between net current assets carried forward in the budget at 1 July 2004 and the net current assets shown in the audited financial report for the financial year to 30 June 2005 was a lower amount of \$502, which was due to minor end of year entries.

**28 TRUST FUNDS**

The Council holds a number of funds in a custodial role. Council has no control over these funds thus they are not included in the financial statements being disclosed only by way of this note.

<b>Description</b>	<b>Balance 1st July 2004</b>	<b>Receipts</b>	<b>Payments</b>	<b>Balance 30th June 2005</b>
BCITF	18,281	15,536	-33,817	0
Tourist Operators	30	138,746	-138,599	177
Unclaimed Wages	2,466	0	0	2,466
Staff Christmas Club	10,450	36,075	-35,380	11,145
Little Athletics	2,166	0	0	2,166
Elections Nominations	0	480	-400	80
COAG Project	153,717	147,500	-76,516	224,701
Retention Monies	0	84,700	0	84,700
Police Licencing	0	159,979	-159,261	718
History Project	6,468	0	-969	5,499
	<b>193,578</b>	<b>583,016</b>	<b>-444,942</b>	<b>331,652</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

<b>29(a) COUNCILLORS' REMUNERATION</b>	<b>2004/05 Actual \$</b>	<b>2004/05 Budget \$</b>	<b>2003/04 Actual \$</b>
The following fees, expenses and allowances were paid to council members and the Shire President.			
Meeting Fees - Shire President	3,360	3,360	3,360
Meeting Fees - Councillors	7,320	10,680	7,320
President's Allowance	2,500	2,500	2,500
Travelling Expenses	4,552	4,000	2,579
Telecommunications Allowance	9,000	10,500	10,500
	<u>26,732</u>	<u>31,040</u>	<u>26,259</u>

**29(b) OVERALL PAYMENTS; GRATUITIES; RETRENCHMENTS**

The overall payments relating to salaries & wages were as follows 2,079,288 2,041,604 1,865,244

No Gratuitues or Retrenchment payments were made during the reporting period.

**29(c) EMPLOYEES' REMUNERATION**

No employees of the Shire were entitled to an annual package in excess of \$ 100,000.

<b>29(d) EMPLOYEE NUMBERS</b>	<b>2004/05</b>	<b>2003/04</b>
The number of full-time equivalent Employees at balance date	<u>37</u>	<u>36</u>

# SHIRE OF HALLS CREEK

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

	2004/05	2003/04	2002/03
<b>30 FINANCIAL RATIOS</b>			
Current Ratio	1.86	12.25	1.28
Untied Cash to Trade Creditors Ratio	0.44	0.00	0.00
Debt Ratio	0.03	0.03	0.03
Debt Service Ratio	0.03	0.02	0.02
Gross Debt to Revenue Ratio	0.10	0.10	0.07
Gross Debt to Economically Realisable Assets Ratio	0.05	0.06	0.06
Rate Coverage Ratio	0.08	0.06	0.05
Outstanding Rates Ratio	0.30	0.27	0.13

The above rates 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  $\frac{\text{Rates outstanding}}{\text{Rates collectable}}$

## SHIRE OF HALLS CREEK

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2005

#### 1. IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRSs)

For reporting periods commencing on or after 1 January 2005, the Shire of Halls Creek will be required to prepare its annual financial report using Australian equivalents to International Financial Reporting Standards and their related pronouncements (AIFRSs) as issued by the Australian Accounting Standards Board (AASB).

As the AASB has prohibited the early adoption of the AIFRSs, the Shire of Halls Creek will report for the first time in compliance with AIFRSs in the annual financial report for the year ended 30 June 2006 (that is, the year commencing 1 July 2005).

The Shire of Halls Creek is required to prepare an opening balance sheet in accordance with AIFRSs as at 1 July 2004. Most adjustments required on transition to AIFRSs will be made retrospectively against opening retained earnings on 1 July 2004 in accordance with AIFRSs. Transitional adjustments relating to those standards for which comparatives are not required will only be made with effect from 1 July 2005.

The transition to AIFRSs has been managed via a process of education which includes technical training and liaison with the Shire's auditors and industry groups. This has included a review of AIFRSs to determine the effect on the Shire's existing accounting policies and treatments.

The annual financial report for the year ended 30 June 2005 will be prepared in accordance with Australian Accounting Standards and other financial reporting requirements (Australian GAAP). The differences between Australian GAAP and AIFRSs identified to date as potentially having a significant effect on the Shire of Perenjori are summarised below.

#### **Property, Plant and Equipment**

AIFRSs provides an option to value each class of property, plant and equipment at either cost or fair value. At the transition date, an election is available under AIFRSs transition rules to use cost, fair value or deemed costs as the opening carrying value. It is the current intention of the Shire to:

- value property, plant and equipment and infrastructure other than land, buildings and roads on the cost basis, adjusted for any accumulated impairment balances.
- use deemed cost for land and buildings and road infrastructure assets previously carried at revalued amounts adjusted for any accumulated impairment balances.

It is not anticipated any adjustments to carrying values will result from the above approach. If they do, they will be recognised against opening retained earnings or past revaluation reserves in the opening balance sheet.

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

**31. IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRSs) (Continued)****Employee Benefits**

AIFRSs require all long term employee benefits to be measured at present value. This treatment remains unchanged for the measurement of non current long service leave entitlements under current Australian GAAP. However, non current annual leave entitlements are currently measured at the amount the Shire expects to pay and not at present value.

It is not anticipated any such adjustment will be significant. However, adjustments to provisions, if any, will be made against opening retained earnings in the opening balance sheet and the effect on the year ended 30 June 2005 will also be adjusted via the operating statement for comparison purposes in the Shire's first AIFRSs financial report.

**Impairment of Assets**

Currently, assets are written down to recoverable amount when the asset's carrying amount exceeds recoverable amount. In determining recoverable amount, expected future cash flows are currently not discounted to their present value.

Under AIFRSs, both current and non current assets are tested for impairment on an individual basis. If this is not possible, the Shire is required to test for impairment at the "Cash Generating Unit" (CGU) level.

It is anticipated the Shire's material assets will be able to be tested for impairment on an individual basis and the CGU level will not apply.

Assets are tested for impairment where an impairment trigger (per AIFRSs) has occurred. Intangibles with indefinite useful lives will be tested annually for impairment (or more frequently if events or circumstances indicate).

To the extent any impairment is determined, this will be recognised immediately in the operating statement.

Assets may be considered impaired in one reporting period and not in subsequent periods. Therefore, it is not practicable to determine the impact of the change in accounting policy for future financial reports as any impairment or reversal thereof will be affected by future conditions.

Based on reviews performed to date, it is not anticipated any such adjustments will be significant.

**Intangibles**

AIFRSs now requires the recognition of intangibles not currently required under current Australian GAAP.

Intangibles identified will be recognised against opening retained earnings.

Intangibles with indefinite useful lives will be subject to impairment testin annually (or more frequently if events or circumstances indicate it might be impaired). Impairment losses will be recognised immediately in the operating statement as they occur.

This change in policy may result in increased volatility of future results if intangibles are recognised and impairment losses occur.

Based on reviews performed to date, no intangibles have been identified.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

**IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRSs) (Continued)**

**Financial Assets and Financial Liabilities**

Under current Australian GAAP, financial assets and financial liabilities are recognised at cost, at fair value, or at net market value.

On adoption of AIFRSs, the Shire will be required to classify these financial instruments into various specified categories (being either of trading assets, held to maturity investments, loans and receivables or available for sale financial assets). The classification of the instrument determines the instrument's subsequent measurement.

It is anticipated, based on definitions contained within AIFRSs, the Shire's financial assets and liabilities will be classified in the loans and receivables category and will be measured at their initial recognition amount.

Based on reviews performed to date, it is not anticipated any such adjustments will be significant.

However, in accordance with AIFRSs, such financial assets will be subject to annual impairment testing and to the extent any impairment testing is determined, it will be recognised immediately in the operating statement.

Assets may be considered impaired in one reporting period and not in subsequent periods. Therefore, it is not practicable to determine the impact of the change in accounting policy for future financial reports as any impairment or reversal thereof will be affected by future conditions.

