



**Shire of Halls Creek**

Annual Report  
For the Year Ended  
30 June 2009

# ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

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## **1- SHIRE PRESIDENT'S REPORT**

Welcome all to the 2008/09 Annual Report.

The subject year has been a further year of consolidation and of improving our internal systems, but we have also been outward looking with a view to improving lives in our community and building a better future.

The Council engaged Mr. Peter Kenyon of the Bank of IDEAS to undertake extensive community consultation and to document a community strategy to guide the development of Halls Creek through the next 10 years. This project was founded in the belief that, despite a lot of disadvantages that have received considerable publicity in recent times, our people are passionate about our place and we can achieve a much brighter future if we work together toward implementing a defined list of outcomes.

In December, the Council adopted the *Halls Creek Community Strategy 2008-2018* as its “Plan for the Future” as required by the Local Government Act. Of course, not all the actions or projects included in the plan will be achieved in a single year; however, some of those smaller things have already been achieved and we now have a course to steer toward some common community aspirations.

In February, we hosted an assorted group of representatives of government agencies and other funders who came to Halls Creek to see what was happening here and to discuss the *Community Strategy*. The consequence of this was that there is a group of “champions” advocating for Halls Creek throughout that complex institutional matrix upon whose support we rely to help us in implementation of the strategy.

The Shire staff have continued to work very hard and for long hours because we still do not have a full complement of staff due to a shortage of staff housing.

However, we have made some progress in expanding our stock of staff housing – the Department of Housing agreed to exchange an existing property in John Flynn Street for a future lot in stage two of the Bridge Street subdivision, and we completed the design work and let a contract for the construction of six new staff townhouses on the John Flynn Street site.

With the concurrence of the Girl Guides Association, we had the purpose of the reserve in Darcy Street upon which the old Guide Hall sits changed, and we have let a contract to convert the old hall into a nine-room single persons' quarters.

Lack of housing of all types continues to be one of the single biggest issues for Halls Creek generally. The Department of Housing has been quite aggressive in its construction program but, like everyone else, has been impeded in the construction of additional housing by the inadequate supply of land. Furthermore, the supply of land has been impeded by the inadequate water supply and, during the course of this year, Water Corporation has been blocking our Town Planning Scheme amendments and the supply of additional residential subdivisions because it believes it is unable to supply sufficient water for the level of growth in housing that our population requires.

The Council has continued to advocate for more investment in infrastructure, particularly water and wastewater infrastructure, and for the release of more land. Not only residential land, but also for more industrial land so that we can accommodate more businesses which will generate more employment opportunities in our community.

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During the course of the year, we also completed a study and report on how we might deliver more local government services to the Tjurabalan communities of Ringer Soak, Billiluna, Balgo and Mulan. That project was born out of the Bilateral Agreement that has since been superseded by COAG initiatives; the report has been delivered as required and it is now in the hands of others as to what will happen with regard to the future of the project.

In fact, a number of other political and institutional changes have also had an impact during the course of this year. The “Global Financial Crisis” prompted the Australian Government to make “economic stimulus” grants to the local government sector; however, we got a very meagre allocation compared with other local governments in the region because local governments with a population of less than 5,000 all received a minimum allocation of \$100,000. Consequently, we again suffered because of the very poor performance of the Australian Bureau of Statistics in carrying out the 2006 census.

A further factor was the success of the National Party in winning the “balance of power” in the State election and the subsequent implementation of the “Royalties to Regions” funding. That resulted in a substantial direct allocation to the Shire of approximately \$1.5M. Although this allocation was quite meagre compared with the allocation to other local governments in the region and in comparison to our needs, it was somewhat mitigated by a number of Royalties to Regions grants to local Halls Creek projects through the Kimberley Development Commission. These projects included capacity-building and accreditation for the Halls Creek Visitor Centre, a scoping study for our “Civic Precinct”, and an allocation to the Kimberley Stampede Rodeo Club toward the construction of new facilities.

The third major change was the announcement on 21 April by the Federal Minister for Indigenous Affairs, Hon. Jenny Macklin, that Halls Creek is one of three sites chosen in the Kimberley region to establish a Remote Service Delivery site as part of a new COAG initiative. The program is funded to approximately \$80M per year for five years for infrastructure investment.

So far, that initiative has delivered quite a bit of talk but nothing tangible on the ground in Halls Creek. The Shire is certainly willing to work with the federal and state agencies in the hope that this new initiative will have positive outcomes for the community; time will tell whether that becomes a reality or not.

This is my very last annual report as Shire President as I am retiring from the Council and will cease to be the Shire President when the new Council holds its inaugural meeting on 19 November 2009. I believe that the Shire is in much better shape now than when the last Council took office toward the end of 2007.

I thank all Councillors and staff for their dedicated service over the past two years. I wish retiring Councillors well in their retirement from local government, and I wish the new Council well in grappling with the many challenges that remain.



Cr Lynette (“Jim”) Craig  
Shire President

## **2 - CHIEF EXECUTIVE OFFICER'S REPORT**

2008-09 is the first full year of my service as the Chief Executive Officer of the Shire of Halls Creek; it has been a year characterised by stability in the Shire's management team, by steady improvement in various aspects of the Shire's operations, and by very hard work on the part of everybody.

There were very few changes in the management team. In August, Janine Hinton commenced as Executive Manager Community Services, a position that had been filled for about nine months by Alba Brockie on a month-to-month contract basis. Dan Turner retired early in 2009 and Andrew Vonarx commenced in February as Works Manager. We also needed to recruit a Works Supervisor in order to address capacity issues with regard to the Works programme, and Sam Wooden was recruited at the end of the financial year for commencement early in 2009-10.

Lack of adequate management in the Works Department resulted in significant cost overruns in the second half of 2008. The restructuring of the Department in 2009 has addressed these issues. We have also made good use of consultant engineer Michael Keane of Greenfield Technical Services for design and planning of works projects and this has resulted in much better planning and execution, resulting in good work achieved within budget.

Despite ongoing staff shortages, the roadworks crew completed several projects including the sealing of three previously unsealed town streets, and the remedial resealing of parts of Duncan Road. We also re-sealed the airport runway and apron.

In addition, we have planned and designed the sealing of further town streets in 2009-10, and the extension of sewerage in Downing Street.

Despite staff shortages and also quite severe water restrictions, the town crew has the town looking very good. Somewhat contentiously, the Director of Liquor Licensing imposed restrictions on sales of take-away liquor in the last quarter and, whatever other effects they may have had, the reduction in the number of discarded aluminium cans around the town has certainly improved to the tidiness.

Mr Gary McCarney did a very good job during the first half of the period as planning officer "on loan" from the Department of Planning and Infrastructure. Gary made great progress in respect of a number of Town Planning Scheme amendments in order to free up land for development. Unfortunately, his term ended at the end of 2008 and he returned to Perth to another job with the Department. DPI agreed to replace him until 30 June 2009, and his replacement was Ms Louise Murray, who commenced in March.

During Louise's tenure in the town planning role, we attempted to recruit a staff planning officer; unfortunately, we were unsuccessful in recruiting a planner of the calibre that we require and the town planning role has now reverted to the Chief Executive Officer (with assistance from consultant town planners).

For various reasons, we have continued to be inadequately staffed. Those reasons are:

1. lack of local applications for vacancies which we would prefer to fill locally;  
and
2. lack of staff housing which prevents us from recruiting staff from further afield.

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Despite the lack of staff, Jo Godfrey did a great job throughout the year as our Youth Services Coordinator. The youth services section has engaged about 90 kids a day, and has run a lot of programs including leadership camps and vacation programs.

The Recreation and Aquatics Centre has been going from strength to strength under the management of Peter Tonkin – there is a lap club, learn to swim classes, aqua aerobics, Junior Lifeguard Club and a swim squad. The addition of pool blankets has increased the water temperature, usage has increased, and the addition of a large inflatable has proven to be very popular.

During the course of the year, the various training programs offered at the pool resulted in one of the local teachers obtaining his Pool Operator qualification and this has resulted in the pool being open seven days per week during the school term.

The one area in which the Aquatics Centre has been less successful is in training local people for careers in the aquatics industry. Unfortunately, we have been unable to recruit and retain local trainees who were able to complete their qualifications. One of the consequences of this is that the pool can only operate five days per week during the school holidays, because the school teachers who we rely on to staff the Centre are away during those periods when we have the maximum demand for pool use.

In the position of Senior Environmental Health Officer, Edmore Masaka has performed very admirably as acting head of the Regulatory Services Department, which is another department that has had more than its share of staffing deficiencies. We have had some good Rangers, but they have not stayed for very long, and we finished the year with insufficient capacity to maintain our dog control and dog health programmes. I am grateful that the Council agreed to increase the staffing of this department, whose role is critical in pursuing better health and life expectancy outcomes for people in our communities. At the time of writing of this report, I am pleased to report that I have confirmed Edmore's appointment as Manager of Regulatory Services, that we have two new Rangers that are performing their duties very conscientiously, and that we are currently recruiting Environmental Health Officers.

Two areas of Shire operations that have received special attention during the year are the airport and the Visitor Centre. The Shire has not had the capacity to operate the airport in compliance with its licence and the legislation; Council has agreed in principle to contract out the operation and management of the airport to a firm that has expertise in aviation and airport management. This has been complicated by the need to get ministerial approval, as well as by proposed leases at the airport to Air Services Australia for the relocation of the Non-Directional aircraft Beacon (as the current NDB site is holding up a residential subdivision) and to the Bureau of Meteorology for weather equipment, and the tender for operational and management services had not been completed by the end of the year but is proceeding as I'd write this report.

The Council also adopted a new business plan for the Visitor Centre to try to reduce the overall cost to the Shire of operating the centre and also to engage more with local businesses and to promote local tourism enterprises and economic activity. We have engaged additional staff, so that the Visitor Centre is now open seven days per week throughout the year to meet the expectations of our tourists and to increase sales volumes.

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Another issue that has been addressed is asset management. The Council agreed to engage GHD Assets to assist the management team in preparing a Total Asset Management Plan. It is expected that the plan will be delivered during 2009-10.

The Corporate Services team has also experienced some staff shortages, but has generally performed very well. At the end of the year, Mr Hitesh Hans was appointed as Senior Finance Officer for commencement early in 2009-10. Corporate Services achievements include:

- increased collections of rates and sundry debts owed
- the writing off of some old (and often poorly-documented) uncollectible debts.
- much better administration of Shire properties, including the implementation of leases and tenancy agreements and regular maintenance programs.
- the implementation of building programs to address our staff housing shortage.
- the continued implementation and improvement of our document management system, including formal approval of our Records Keeping Plan by the Office of State Records
- ongoing upgrading of security systems.
- further upgrading of our information technology systems, including new data servers and a mapping system.
- implementation of a new telephone system.
- upgrading our information databases to make them both more useful and more robust.

A lot of the work that we have performed over the past 18 months has been work performed “from scratch”; however, it has been an investment in making future work both easier and more efficient.

I am again especially indebted to the longest-serving member of our management team, Executive Manager Corporate Services Andrea Nunan, for her hard work, support and conscientious. Despite the difficulties of training new staff, as well as having staff shortages, she has achieved very good results and the Auditor's Report at the end of this document is again testimony to Andrea's competence and dedication.

We look forward during 2009-10 to getting more staff housing, with the prospect of further staff housing becoming available during 2010-11. I believe that the hours that various staff have been working to achieve what we have achieved thus far are unsustainable in the long term, and we look forward to being able to recruit sufficient staff over the next two years to normalise working hours and conditions without losing momentum in respect of those things that we have set out to achieve.



Warren Olsen  
Chief Executive Officer



## **3 - STATUTORY REPORTS**

### **3.1 National Competition Policy**

The National Competition Policy is a set of competition enhancing principles agreed to by the State and Federal Governments 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 sectors.

All governments with business activities that generate in excess of \$200,000 per annum of "user pays" income must assess these activities, and if necessary, introduce measures to eliminate any net advantages that may have arisen because of the public ownership of the activities.

During 2008-2009, the Shire of Halls Creek did not have any significant business activities that met this criterion, and is not required to complete this assessment.

The Shire is committed to ensuring full compliance with the principles of the National Competition Policy, and therefore monitors its business activities accordingly.

### **3.2 Disability Services Act**

It is a requirement of the WA Disability Services Act that all local government authorities develop and implement a Disability Access and Inclusion Plan (DAIP) that outlines the ways in which the authority will ensure that people with disabilities have equal access to its facilities and services.

The Shire adopted its first Disability Service Plan (DSP) in December 1995 to address the barriers within the community for people with disabilities and to address its statutory requirements under the WA Disability Services Act (1993). An updated DSP was developed in 2004 following consultation with the community.

In 2008, the Shire undertook to review its DSP, consult with stakeholders and draft a new Disability Access and Inclusion Plan to guide further improvements to access and inclusion and meet the requirements of the amended WA Disability Services Act.

The Shire contracted an independent disability consultancy firm, E-QUAL, to review existing documentation, conduct the consultation and draft a DAIP for the Shire. The Disability Access and Inclusion Draft Plan has received input from individuals and groups in the community.

At its Ordinary Meeting of Council, held 16 September 2008, Council formally endorsed the DAIP. A copy of this plan can be viewed on the Shire's website [www.hallscreek.wa.gov.au](http://www.hallscreek.wa.gov.au), or by following the link:

<http://av-relay.hcshire.wa.gov.au/InfoRouter/docs/Public/Disability%20Access%20and%20Inclusion%20Plan/ADOPTED%20Disability%20Access%20and%20Inclusion%20Plan%202008.pdf>

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In approving this DAIP, the Council is committing the Shire of Halls Creek to achieving six outcomes:

1. People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the Shire of Halls Creek.
2. People with disabilities have the same opportunities as other people to access the buildings and facilities of the Shire of Halls Creek.
3. People with disabilities receive information from the Shire of Halls Creek in a format that will enable them to access the information as readily as other people are able to access it.
4. People with disabilities receive the same level and quality of service from the staff of the Shire of Halls Creek as other people receive.
5. People with disabilities have the same opportunities as other people to make complaints to the Shire of Halls Creek.
6. People with disabilities have the same opportunities as other people to participate in any public consultation by the Shire of Halls Creek.

As required by the WA Disability Services Act, the Shire was required to review the progress of the DAIP, to compare proposed outcomes to achievements. This review was submitted by the Shire in August 2009. Of 39 proposed outcomes in the DAIP, the Shire has achieved 21 in full. A further 11 had been partially completed at time of review, with 7 still to be implemented.

### **3.3 Records Management and the State Records Act 2000**

The Shire of Halls Creek has a Record Keeping Plan approved by the State Records Commission, as per requirements of the State Records Act. It is also a requirement of the Commission that the Shire includes information about the Shire's Records Management in its Annual Report each year.

The State Records Commission initially approved the Shire of Halls Creek Record Keeping Plan (RKP) in 2004. It is a requirement that this approved RKP be actively used and reviewed by the Shire.

Following the recruitment of a suitably qualified Records Manager and the implementation of a new electronic records management system, a new RKP was developed, and given approval by the State Records Commission on 22 December 2008.

State Records Commission Standard 2 (Recordkeeping) Plans), Principle 6 (Compliance), states that *'Government Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities under their Recordkeeping Plan'*. The Shire has ensured that its new RKP includes the necessary strategies to ensure full and meaningful compliance with this particular standard.

A review of the current RKP must be submitted to the State Records Commission in December 2013.

### **3.4 Plan for the Future**

Section 5.56 of the Local Government Act 1995 requires the Shire of Halls Creek to make a plan for the future of its district for at least the next two financial years. This plan must outline the broad objectives for the Shire for the given period, and it is a requirement of the Act that the community at large are consulted.

It is also a requirement of the Act, that the Annual Report must include an overview of the Plan for the Future.

The Shire of Halls Creek acknowledges that it failed to produce any form of plan for the future in 2006-2007, and that there had been very little “meaningful” consultation with the community in the past. The Shire was also very conscious that there are many stakeholders in the community each attempting to address the myriad of social and economic issues faced by the district, many in isolation of other stakeholders.

The Shire believed that a collective approach is required to ensure an adequate and suitable future plan for all of its residents. As a major stakeholder is this community, the Shire took on the role as the facilitator for the project known as the Community Conversations Project.

This project, led by Mr Peter Kenyon, from the consulting firm Bank of IDEAS, had considerable assistance from the Better Life Project led by Department of Housing and Works, Kimberley Development Commission and the Indigenous Co-Ordination Centre (Kununurra).

The final outcome of the project is the Shire’s Plan for the Future that accurately and adequately reflected the values, vision, goals and major strategic initiatives for the future.

The Community Conversations Project involved the engagement of many of the wide and varied stakeholders in the community, including: Local Businesses, Local Focus and Interest Groups, Government Agencies and non-government support agencies, the children and youth of the town and residents of outlying communities.

There are many ways in which groups can meet. For this project the activities included:

- 14 structured interview focus groups with a variety of residents and stakeholder agency groups
- 3 youth speak-out sessions at the Halls Creek District High School and Red Hill Catholic School
- “Business” After Hours events with local business operators
- Surveys and interviews with individuals
- Meetings with Director Generals (or representatives) from ten state government agencies
- Community meetings in local park with sausage sizzle
- ‘Chat Night’ inviting people to share ideas and document them on simple whiteboards

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- And, most importantly, “dot democracy” whereby all residents were asked to vote on what they wanted in the Plan for the Future by simply placing a sticker dot on the relevant issue/idea

Over 600 people took part in this Conversations Project, which speaks volumes about the enormity, but great importance, of this project.

The “Halls Creek Community Strategy” was adopted by Council on 17 December 2008, it is due for review during the 2009/2010 year.

This plan can be viewed on the Shire’s website, [www.hallscreek.wa.gov.au](http://www.hallscreek.wa.gov.au), by following the link to the public document area.

### **3.5 Employee Remuneration Information**

It is a requirement of the Local Government Act 1995, and related Administration Regulations, that the number of employees entitled to an annual salary of \$100,000 or more per annum, are disclosed in the Annual Report in bands of \$10,000. The required information is included in Note 27 of the Annual Financial Statements.

### **3.6 Freedom of Information Statement**

In accordance with Section 96 of the Freedom of Information Act 1992 (FOI Act), local governments are required to publish an annual Freedom of Information Statement.

#### **How to make a Freedom of Information Application to the Shire of Halls Creek**

- Apply in writing to the Chief Executive Officer, who acts as the FOI Coordinator. The FOI Coordinator will assist you if necessary. No special forms are required – a letter will do.
- Identify or describe the documents concerned, or if you apply for amendment of personal information about yourself you must provide details to show how or why the agency’s records are inaccurate, incomplete, out of date or misleading; If you ask for “everything” on a particular subject, the Shire may help you narrow the scope of your application to ensure that the work involved is reasonable. Otherwise the Shire may refuse to deal with your application.
- Give an address in Australia where notices can be sent. If possible, include your telephone number/fax number/email address as this will help Shire staff to contact you if necessary, to assist in your application being dealt with efficiently.
- Pay an application fee of A\$30 if the documents contain non-personal information. No fee is payable for access to personal information about yourself.

#### **Costs**

No fees or charges apply for personal information or amendment of personal information about yourself (e.g. your medical records; details of employment etc). Applications for other documents (i.e. which are non-personal in nature) require a \$30 application fee to be paid when the application is lodged, and there may be other charges imposed by the agency as follows:

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- \$30 per hour of staff time or pro rata for part of an hour for dealing with an application.
- \$30 per hour (or pro rata for part of an hour) for supervision by staff when access is given to view documents; or the time taken by staff to prepare a transcript from a tape or make photocopies.
- 20 cents per photocopy.
- Actual cost incurred by the agency for preparing a copy of a tape, film or computerised information, or arranging delivery, packaging and postage of documents.
- There are no application fees or charges for internal or external reviews.

You can ask the Shire for an estimate of charges when lodging an application. If the charges are likely to exceed \$25 the agency must give you an estimate of charges and ask whether you want to proceed with the application. You must notify the Shire (within 30 days) of your intention to proceed. In some instances the Shire may request an advance deposit. If you are financially disadvantaged advise the Shire as a 25% reduction of charges may apply.

### **Reviews**

If you disagree with a decision made on your FOI application, you can ask for that decision to be reviewed by someone else in the Shire. You must apply within 30 days of receiving the notice of decision from the Shire.

Within 15 days the Shire will advise you in writing of the outcome of the review, as well as your right to lodge a complaint with the Information Commissioner for an External Review of the Shire's decision.

After internal review, if you still disagree with the Shire's decision, you can lodge a complaint with the Information Commissioner. If you make a complaint to the Information Commissioner, the complaint must -

- Be in writing and include your address.
- Give particulars of the decision to be reviewed including details of the part, or parts, of the decision you want the Commissioner to review.
- Include a copy of the notice of decision sent to you by the Shire - this is the written notice of decision provided to you following the Shire's internal review.

### **Summary of FOI Requests received in the Year Ended 30 June 2009**

No FOI applications were received in the 2008 – 2009 reporting year.

### **3.7 Register of Complaints**

Section 5.121 requires that a register of all complaints, made in relation to conduct of elected members, be disclosed in the Annual Report.

For the year ended 30 June 2009, the Shire of Halls Creek had no complaints of this nature to disclose.

**4- ANNUAL FINANCIAL REPORT**

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**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, supporting notes and other information for the financial year ended 30th June 2009 are in my opinion properly drawn up to present fairly the financial position of the Shire of Halls Creek as at 30 June 2009 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act

Signed on the 24<sup>th</sup> day of October 2009

A handwritten signature in blue ink, appearing to read 'WK OLSEN', followed by a long horizontal flourish.

WK (Warren) OLSEN  
CHIEF EXECUTIVE OFFICER

*The Shire of Halls Creek  
Thomas Street  
Halls Creek WA 6770*

# **Shire of Halls Creek Annual Report for the Year Ended 30 June 2009**

## **INCOME STATEMENT BY PROGRAMME**

	NOTE	2008/2009 Actual \$	2008/2009 Budget \$	2007/2008 Actual \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Governance		1,034	0	25,089
General Purpose Funding		8,437,719	5,618,747	4,625,220
Law, Order, Public Safety		23,707	1,396	11,397
Health		147,551	147,500	147,709
Education and Welfare		1,016,648	119,778	138,124
Housing		44,432	28,000	37,190
Community Amenities		168,444	157,000	158,439
Recreation and Culture		270,545	173,239	185,933
Transport		2,373,458	3,788,190	2,860,511
Economic Services		220,995	199,881	191,017
Other Property and Services		193,022	78,496	212,321
		<u>12,897,555</u>	<u>10,312,227</u>	<u>8,592,950</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES (Excluding Borrowing Costs expense)</b>				
Governance		(784,372)	(528,165)	(596,112)
General Purpose Funding		(154,108)	(144,198)	(133,646)
Law, Order, Public Safety		(106,149)	(140,497)	(115,297)
Health		(275,251)	(348,310)	(302,267)
Education and Welfare		(306,441)	(316,839)	(230,446)
Housing		(37,484)	(31,165)	(11,372)
Community Amenities		(546,494)	(657,528)	(348,719)
Recreation & Culture		(1,393,936)	(1,662,336)	(1,413,356)
Transport		(3,084,147)	(3,462,387)	(2,768,512)
Economic Services		(347,856)	(501,747)	(297,923)
Other Property and Services		(381,104)	(816,050)	(308,702)
		<u>(7,417,342)</u>	<u>(8,609,222)</u>	<u>(6,526,352)</u>
<b>BORROWING COST EXPENSE</b>				
Governance		(6,842)	(6,842)	(7,574)
Housing		(41,274)	(78,367)	(46,142)
	3	<u>(48,116)</u>	<u>(85,209)</u>	<u>(53,716)</u>
<b>Net Result</b>		<u><u>5,432,097</u></u>	<u><u>1,617,796</u></u>	<u><u>2,012,882</u></u>

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



# ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

## **INCOME STATEMENT BY NATURE OR TYPE**

	NOTE	2008/2009 Actual \$	2008/2009 Budget \$	2007/2008 Actual \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Rates	20	1,393,049	1,388,926	1,155,065
Grants, Subsidies, Contributions - Operating	13	6,684,664	4,486,765	4,426,016
Service Charges	22	15,000	14,950	7,475
Fees and Charges	25	655,514	616,470	596,148
Interest Earnings	3	249,834	192,446	231,512
Other Revenue		47,016	25,546	12,627
		<u>9,045,077</u>	<u>6,725,103</u>	<u>6,428,843</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs		(1,959,434)	(3,113,226)	(1,727,267)
Materials and Contracts		(1,532,346)	(1,710,851)	(1,488,096)
Utilities (gas, electricity, water, etc)		(305,283)	(335,000)	(301,586)
Depreciation on Non-current Assets	3	(3,064,955)	(3,048,032)	(2,787,305)
Insurance		(202,872)	(85,209)	(222,098)
Interest on Debentures	3	(48,116)	(244,571)	(53,716)
Other Expenses		(299,617)	(125,326)	0
		<u>(7,412,623)</u>	<u>(8,662,215)</u>	<u>(6,80,068)</u>
		1,632,454	(1,937,112)	(151,225)
Grants, Subsidies, Contributions - Non Operating	13	3,821,798	3,570,578	2,164,107
Profit on Asset Disposals	31 (b)	30,680	16,546	0
Loss on Asset Disposals	31 (b)	(52,835)	(32,216)	0
<b>NET RESULT</b>		<u><b>5,432,097</b></u>	<u><b>1,617,796</b></u>	<u><b>2,012,882</b></u>

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

# Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

## BALANCE SHEET

	NOTE	2008/2009 Actual \$	2007/2008 Actual \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	8,400,143	4,784,475
Trade and Other Receivables	5	1,574,089	663,552
Inventories	6	96,112	101,976
<b>TOTAL CURRENT ASSETS</b>		<b>10,070,344</b>	<b>5,550,003</b>
<b>NON-CURRENT ASSETS</b>			
Work In Progress	7	443,156	0
Property, Plant and Equipment	8(a)	18,094,687	18,008,984
Infrastructure	8(b)	7,426,422	6,354,865
<b>TOTAL NON-CURRENT ASSETS</b>		<b>25,964,265</b>	<b>24,363,849</b>
<b>TOTAL ASSETS</b>		<b>36,034,609</b>	<b>29,913,852</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	1,111,757	501,340
Provisions	10	245,373	83,668
Long Term Borrowings	11	72,553	87,516
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,429,683</b>	<b>672,524</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	18,012	13,958
Long Term Borrowings	11	633,477	706,030
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>651,489</b>	<b>719,988</b>
<b>TOTAL LIABILITIES</b>		<b>2,081,172</b>	<b>1,392,512</b>
<b>NET ASSETS</b>		<b>33,953,437</b>	<b>28,521,340</b>
<b>EQUITY</b>			
Retained Surplus		30,801,785	25,576,183
Reserves - Cash Backed	12	1,487,165	1,280,670
Reserves - Asset Revaluation	12	1,664,487	1,664,487
<b>TOTAL EQUITY</b>		<b>33,953,437</b>	<b>28,521,340</b>

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

# Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

## STATEMENT OF CHANGES IN EQUITY

	NOTE	2008/2009 Actual \$	2007/2008 Actual \$
<b>RETAINED SURPLUS</b>			
Balance as at 1 July 2008		25,576,183	23,983,982
Net Result		5,432,097	2,012,882
Transfer from/(to) Reserves		(206,495)	(420,681)
Balance as at 30 June 2009		<u>30,801,785</u>	<u>25,576,183</u>
<b>RESERVES - CASH BACKED</b>			
Balance as at 1 July 2008		1,280,670	859,989
Amount Transferred (to)/from Retained Surplus		206,495	420,681
Balance as at 30 June 2009	12	<u>1,487,165</u>	<u>1,280,670</u>
<b>RESERVES - ASSET REVALUATION</b>			
Balance as at 1 July 2008		1,664,487	1,664,487
Revaluation Increment		0	0
Revaluation Decrement		0	0
Balance as at 30 June 2009	12	<u>1,664,487</u>	<u>1,664,487</u>
<b>TOTAL EQUITY</b>		<u><u>33,953,437</u></u>	<u><u>28,521,340</u></u>

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

# Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

## CASH FLOW STATEMENT

	NOTE	2008/2009 Actual \$	2008/2009 Budget \$	2007/2008 Actual \$
<b>Cash Flows From</b>				
<b>Operating Activities</b>				
<b>Receipts</b>				
Rates		1,536,413	1,680,423	1,101,653
Grants, Subsidies, Contributions		5,876,348	4,594,765	4,329,016
Service Charges		15,000	14,950	7,475
Fees and Charges		697,943	689,021	508,242
Interest Earnings		249,834	615,275	231,512
Goods and Services Tax		565,888	192,446	680,423
Other		43,617	13,184	12,627
		<u>8,985,043</u>	<u>7,800,064</u>	<u>6,870,948</u>
<b>Payments</b>				
Employee Costs		(1,723,235)	(3,088,226)	(1,840,419)
Materials and Contracts		(975,336)	(1,431,994)	(1,356,959)
Utilities (gas, electricity, water, etc)		(353,793)	(341,183)	(262,403)
Insurance		(202,872)	(244,571)	(222,098)
Interest		(50,590)	(640,000)	(31,234)
Goods and Services Tax		(501,523)	(107,691)	(643,022)
Other		(308,892)	(134,601)	9,275
		<u>(4,116,241)</u>	<u>(5,988,266)</u>	<u>(4,346,860)</u>
<b>Net Cash Provided By (Used In)</b>				
<b>Operating Activities</b>	14(b)	<u>4,868,802</u>	<u>1,811,798</u>	<u>2,524,088</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of				
Property, Plant & Equipment		(1,124,580)	(3,526,110)	(519,158)
Payments for Construction of				
Infrastructure		(3,251,203)	(5,979,969)	(2,007,124)
Payments for Construction of				
Work in Progress		(443,156)	0	0
Grants and Contributions for				
the Development of Assets		3,521,908	3,570,123	2,230,239
Proceeds from Sale of				
Plant & Equipment		131,414	75,000	0
		<u>131,414</u>	<u>75,000</u>	<u>0</u>
<b>Net Cash Provided By (Used In)</b>				
<b>Investing Activities</b>		<u>(1,165,617)</u>	<u>(5,860,956)</u>	<u>(296,043)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(87,516)	(122,516)	(88,038)
Proceeds from new Debentures		0	1,000,000	0
		<u>0</u>	<u>1,000,000</u>	<u>0</u>
<b>Net Cash Provided By (Used In)</b>				
<b>Financing Activities</b>		<u>(87,516)</u>	<u>877,484</u>	<u>(88,038)</u>
<b>Net Increase (Decrease) in Cash Held</b>		3,615,669	(3,171,674)	2,140,007
Cash at Beginning of year		4,784,475	4,784,475	2,644,468
<b>Cash at End of Year</b>	14 (a)	<u>8,400,143</u>	<u>1,612,801</u>	<u>4,784,475</u>

# Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

## RATE SETTING STATEMENT

	NOTE	2008/2009 Actual \$	2008/2009 Budget \$
<b>OPERATING REVENUES</b>			
Governance		1,034	0
General Purpose Funding		7,044,670	4,229,821
Law, Order, Public Safety		23,707	1,396
Health		147,551	147,500
Education and Welfare		1,016,648	119,778
Housing		44,432	28,000
Community Amenities		168,444	157,000
Recreation and Culture		270,545	173,239
Transport		2,373,458	3,788,190
Economic Services		220,995	199,881
Other Property and Services		193,022	78,496
		11,504,506	8,923,301
<b>OPERATING EXPENSES</b>			
Governance		(791,214)	(535,007)
General Purpose Funding		(154,108)	(144,198)
Law, Order, Public Safety		(106,149)	(140,497)
Health		(275,251)	(348,310)
Education and Welfare		(306,441)	(316,839)
Housing		(78,758)	(109,532)
Community Amenities		(546,494)	(657,528)
Recreation & Culture		(1,393,936)	(1,662,336)
Transport		(3,084,147)	(3,462,387)
Economic Services		(347,856)	(501,747)
Other Property and Services		(381,104)	(816,050)
		(7,465,458)	(8,694,431)
<b>Adjustments for Cash Budget Requirements:</b>			
<b>Non-Cash Expenditure and Income</b>			
(Profit)/Loss on Asset Disposals		22,155	15,670
Depreciation on Assets		3,064,955	3,048,032
Movement in Employee Benefits		165,758	25,000
<b>Capital Expenditure and Income</b>			
Works in Progress		(443,156)	0
Purchase Land and Buildings		(281,494)	(2,550,000)
Purchase Infrastructure Assets - Roads		(2,718,825)	(747,750)
Purchase Plant and Equipment		(714,200)	(228,360)
Purchase Furniture and Equipment		(128,886)	(974,360)
Purchase Infrastructure - Other		(532,378)	(5,005,609)
Proceeds from Disposal of Assets		131,414	75,000
Repayment of Debentures		(87,516)	(122,516)
Proceeds from Debentures		0	1,000,000
Transfers to Reserves (Restricted Assets)		(407,495)	(121,896)
Transfers from Reserves (Restricted Assets)		201,000	201,000
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		3,767,992	3,767,993
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		7,471,421	0
<b>Amount Req'd to be Raised from Rates</b>	20	(1,393,049)	(1,388,926)

## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

### **1. SIGNIFICANT ACCOUNTING POLICIES**

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

#### **(a) Basis of Preparation**

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

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

#### **Critical Accounting Estimates**

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

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

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

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 15 to this financial report.

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

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

#### **(d) Cash and Cash Equivalents**

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

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

#### **(e) Trade and Other Receivables**

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

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

## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

### **(f) Inventories**

#### ***General***

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

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

#### ***Land Held for Resale***

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

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

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

### **(g) Fixed Assets**

#### ***Initial Recognition***

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

#### ***Revaluation***

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

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

#### ***Land under Roads***

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

Effective as at 01 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads - and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such Land as an asset.

In respect of land under roads acquired on or after 01 July 2008, as detailed above, Local Government (Financial Management) Regulation 16 (a) (i) prohibits local governments from recognising such land as an asset. Whilst such treatment is inconsistent with the requirements of AASB1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 01 July 2008 is not included as an asset of the Council.

### **(h) Depreciation of Non-Current Assets**

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

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

## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

Buildings	40 years
Office Furniture	4-10 years
Office Equipment	4-10 years
IT Related Equipment	3 years
Plant and Equipment	5-10 years
Mobile plant and Vehicles	5-10 years
Large Road Construction Plant & Equip	15 years
Roads Sealed	50 years
Roads Unsealed	15 years
Footpaths	20 years
Other Infrastructure	20 years

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

#### ***Classification***

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

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

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

#### **(ii) Loans and receivables**

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

#### **(iii) Held-to-maturity investments**

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

#### **(iv) Available-for-sale financial assets**

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

#### ***Recognition and derecognition***

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

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



## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

### **(j) Investments and Other Financial Assets (Continued)**

#### ***Subsequent measurement***

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

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from the changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established. Changes in fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

#### ***Impairment***

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

### **(k) Estimation of Fair Value**

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

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

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

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

### **(l) Impairment**

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

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

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

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

## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

### **(m) Trade and Other Payables**

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

### **(n) Employee Benefits**

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

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

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

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

The liability for long service leave is recognised in the provision of employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit card method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

### **(o) Interest-bearing Loans and Borrowings**

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

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

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

#### ***Borrowing Costs***

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

### **(p) Provisions**

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

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

### **(q) Leases**

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

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

## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

### **(r) Joint Venture**

The Shire of Halls Creek has not entered into any Joint Ventures

### **(s) Rates, Grants, Donations and Other Contributions**

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

Where 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 at Note12. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

### **(t) Superannuation**

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

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

### **(u) Rounding Off Figures**

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

### **(v) Comparative Figures**

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

### **(w) Budget Comparative Figures**

Unless otherwise stated, the budget comparative figures shown in this annual report relate to the original budget estimate for the relevant term of the disclosure.

### **(x) Current and Non-Current Classification**

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

### **(y) New Accounting Standards and Interpretations**

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted by Council for the annual reporting period ending 30 June 2009.

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

	<b><u>Title and Topic</u></b>	<b><u>Issued</u></b>	<b><u>Applicable (*)</u></b>	<b><u>Impact</u></b>
(i)	AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB8	February 2007	1 January 2009	Nil - The Standard is not applicable to not-for-profit entities.

## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

	<b><u>Title and Topic</u></b>	<b><u>Issued</u></b>	<b><u>Applicable (*)</u></b>	<b><u>Impact</u></b>
(ii)	Revised AASB 13 Borrowing Costs (includes AASB 2009-1) and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB1, AASB 101, AASB 107, AASB 111, AASB 116 and AASB 138 and interpretations 1 & 12]	June 2007 and April 2009	1 January 2009	Nil - There have been two revisions to the Standard. The first removed the option to expense all borrowing costs and required the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The second (AASB 2009-1) reinstated the choice to either expense or capitalise in the case of not-for-profit entities. There will be no impact on the financial report of the Council as it already capitalises borrowing costs relating to qualifying assets and will continue to do so.
(iii)	Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	September 2007	1 January 2009	Nil - The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the statement of Changes in Equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of Financial Position), being as at the beginning of the comparative period.
(iv)	AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Report	July 2008	1 January 2009	Nil - The revisions are part of the AASBs annual improvement project to help ensure consistency with presentation, recognition and measurement of criteria of IFRSs
	AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Report	July 2008	1 July 2009	The revision embodied in these standards relate largely to terminology or editorial comments and will have a minimal effect on the accounting practices of the Council.  It is not anticipated the more significant changes will have any effect on the financial report as the topics are not relevant to the operations of the Council.
(v)	AASB 2008-11 Amendments to Australian Accounting Standard - Business Considerations Among Not-For-Profit Entities	November 2008	1 July 2009	Nil - Whilst the standard has the effect of applying AASB 3 Business Combinations to the Not-For-Profit sector, specific provisions are provided in respect of local government. These specific provisions are very similar to the previous requirements of AAS 27

## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

(vi)	AASB 2008-1 Amendments to Australian Accounting Standard - Shared Based Payments: Vesting Conditions and Cancellations.	February 2008	1 January 2009	
	AASB 2008-2 Amendments to Australian Accounting Standards Puttable Financial Instruments and Obligations Arising on Liquidation.	March 2008	1 January 2009	
	AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	March 2008	1 January 2009	
	AASB 2007-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate.	July 2008	1 January 2009	
	AASB 2008-8 Amendments to Australian Accounting Standards - Eligible Hedged Items.	August 2008	1 July 2009	
	AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	September 2008	1 January 2009	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 - Distribution of Non-Cash Assets to Owners	December 2008	1 July 2009	
	Interpretation 1 - Changes in Existing, Decommissioning, Restoration and Similar Liabilities.	June 2007	1 January 2009	
	Interpretation 12 - Service Concession Arrangements	June 2007	1 January 2009	
	Interpretation 15 - Agreements for the Construction of Real Estate.	August 2008	1 January 2009	
	Interpretation 16 - Hedges of a Net Investment in a Foreign Operation	August 2008	1 October 2008	
	Interpretation 17 - Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
	Interpretation 18 - Transfers of Assets from Customers.	March 2009	Ending 1 July 2009	

**Notes:**

(\*) - Applicable to reporting periods commencing on or after the given date.

# ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

## **2 STATEMENT OF OBJECTIVES**

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

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### **PRINCIPAL PLACE OF BUSINESS**

The Principal place of Business of the Local Government is:

The Shire of Halls Creek

Thomas Street, Halls Creek, WA 6770

### **GOVERNANCE**

Income and expenditure relating to Council's governance role, as well as the general Administrations costs which cannot be directly allocated to jobs. Costs are later allocated out to jobs/programmes using the "ABC" administration allocation method

### **GENERAL PURPOSE FUNDING**

Rates, general purpose government grants, interest revenue costs associated with raising of rates, collection of debts and other funding activities within this programme.

### **LAW, ORDER, PUBLIC SAFETY**

Supervision of various by-laws, fire prevention, emergency services and animal control Operation of the Shire's Ranger services.

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### **HEALTH**

Provision of an operational framework for good community health, including food quality and pest control, general health administration and the special Aboriginal environmental health programme

### **EDUCATION AND WELFARE**

To provide for funds for the operation of Youth Services within Halls Creek, and to support and encourage associated programmes for the benefit of Halls Creek Youth

### **HOUSING**

Maintenance of staff and rental housing

### **COMMUNITY AMENITIES**

Provide services required by the community including refuse/rubbish collection, tip/ refuse site maintenance, administration of the Shire's Town Planning Scheme, management and maintenance of cemeteries and specific community development programmes.

### **RECREATION AND CULTURE**

Efficient management of infrastructure and resources which will help the social development and well being of the community, including: Civic Halls, Sports courts, Oval, Aquatic & Recreation Centre, Library, Rural Transaction Centre and TV rebroadcasting service.

### **TRANSPORT**

Construction and maintenance of roads, town streets and footpaths, street cleaning, street lighting, and the operation of the airports.

## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

### **2. STATEMENT OF OBJECTIVES (Continued)**

#### **ECONOMIC SERVICES**

Objective: To help promote the Shire and improve its economic well being. Activities: The regulation and provision of tourism, area promotion and building control

#### **OTHER PROPERTY & SERVICES**

##### **Private Works**

Private works are undertaken on a small and large scale and through the year it cannot be forecasted as to the amount of works that will be undertaken.

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##### **Public Works Overheads**

All costs associated with the employment of Council's Technical Services section are assigned to this sub-programme, and then throughout the course of the year the costs are reallocated to the relevant programmes

##### **Plant Operation Costs**

All costs associated with the operation of Council's plant fleet are assigned to this sub programme, and throughout the year are reallocated to relevant work jobs on which the plant worked, to obtain accurate costs of that job items of plant which determine actual costs. Costs include fuels, oils, repairs and depreciation

##### **Salaries & Wages**

This sub Programme identifies the total salaries and wages costs expected for the year and these are also reallocated throughout all sub Programmes during the financial year to reflect true costs.

##### **Misc/Unclassified**

This sub programme records both income and expense for goods/services that cannot be allocated to a particular job or programme. It includes expenses incurred by the Shire that are later recouped from third parties, such as the COAG trial and Muns project as part of special auspiced funding.

## Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

3. REVENUES AND EXPENSES	NOTE	2008/2009 Actual \$	2007/2008 Actual \$
<b>Result from Ordinary Activities includes:</b>			
(i) Charging as Expenses:			
<b>Auditors Remuneration</b>			
- Audit		25,491	14,181
- Other Services		0	0
<b>Doubtful Debts</b>			
- Rate Debtors		8,576	2,972
- Sundry Debtors		2,157	39,606
<b>Depreciation</b>			
- Buildings	8c	471,712	466,105
- Furniture and Equipment		61,469	47,855
- Plant		352,128	281,019
- Infrastructure - Roads		1,942,777	1,723,821
- Infrastructure - Other		236,869	268,505
		<u>3,064,955</u>	<u>2,787,305</u>
<b>Interest Expenses</b>			
- Debentures	19	<u>48,116</u>	<u>53,716</u>
(ii) Crediting as Revenues:			
		2008/2009 Actual \$	2008/2009 Budget \$
<b>Interest Earnings</b>			2007/2008 Actual \$
- Investments			
- Reserve Funds		68,487	102,446
- Municipal Funds		153,940	80,000
- Other Interest Earnings	24	27,397	10,000
		<u>249,824</u>	<u>192,446</u>
			<u>231,512</u>



# Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

	NOTE	2008/2009 Actual \$	2007/2008 Actual \$
<b>4. CASH AND CASH EQUIVALENTS</b>			
Cash on Hand		1,235	1,135
Cash at Bank		8,398,908	4,783,340
		<u>8,400,143</u>	<u>4,784,475</u>
<b>Represented by:</b>			
Unrestricted		3,578,779	2,220,007
Restricted		<u>4,821,364</u>	<u>2,564,468</u>
		<u>8,400,143</u>	<u>4,784,475</u>

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

Employee leave Reserve	12	46,448	44,091
Road making plant Reserve	12	446,048	423,406
Staff Housing Reserve	12	437,248	206,637
Swimming Pool Reserve	12	191,061	76,947
Airport Operating	12	291,955	447,048
Aboriginal EHO Vehicle	12	6,405	26,963
Office Redevelopment	12	47,743	45,319
Computer Upgrade	12	10,808	10,260
TV Rebroadcasting	12	9,450	-
<i>sub total</i>		<i>1,487,166</i>	<i>1,280,671</i>
Unspent Grants	13	<u>3,334,198</u>	<u>1,283,797</u>
		<u>4,821,364</u>	<u>2,564,468</u>

## 5. TRADE and OTHER RECEIVABLES

### Current

Rates & Services Outstanding	206,710	364,649
Sundry Debtors	1,374,713	282,697
GST Receivable	-	56,611
Other Tax Receivable	3,399	-
Less Provision for Doubtful Debts	<u>(10,733)</u>	<u>(40,405)</u>
	<u>1,574,089</u>	<u>663,552</u>

## 6. INVENTORIES

### Current

Stores and Materials - at cost	<u>96,112</u>	<u>101,976</u>
	<u>96,112</u>	<u>101,976</u>

## 7. WORK IN PROGRESS

### Non Current

Buildings	202,962	0
Infrastructure - Other	25,026	0
Infrastructure - Roads	3,026	0
Land	<u>212,142</u>	<u>0</u>
	<u>443,156</u>	<u>0</u>

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## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

	<b>2008/2009 Actual \$</b>	<b>2007/2008 Actual \$</b>
<b>8a. PROPERTY, PLANT AND EQUIPMENT</b>		
Land - Cost	1,612,000	1,612,000
Less Accumulated Depreciation	0	0
	<u>1,612,000</u>	<u>1,612,000</u>
Buildings - Cost	7,004,766	16,723,272
Less Accumulated Depreciation	(3,024,968)	(2,553,256)
	<u>13,979,798</u>	<u>14,170,016</u>
Furniture and Equipment - Cost	739,055	663,842
Less Accumulated Depreciation	(460,889)	(453,068)
	<u>278,166</u>	<u>210,774</u>
Plant & Equipment	5,092,592	4,870,617
Less Accumulated Depreciation	(2,867,869)	(2,854,423)
	<u>2,224,723</u>	<u>2,016,194</u>
<b>Total Property Plant &amp; Equipment</b>	<u><b>18,094,687</b></u>	<u><b>18,008,984</b></u>
<b>8b. INFRASTRUCTURE</b>		
Infrastructure - Other	5,059,860	4,527,482
Less Accumulated Depreciation	(3,407,318)	(3,170,449)
	<u>1,652,542</u>	<u>1,357,033</u>
Infrastructure - Roads	72,542,896	69,824,069
Less Accumulated Depreciation	(66,769,016)	(64,826,237)
	<u>5,773,880</u>	<u>4,997,832</u>
<b>Total Infrastructure</b>	<u><b>7,426,422</b></u>	<u><b>6,354,865</b></u>
<b>CLOSING BALANCES</b>	<u><b>25,521,109</b></u>	<u><b>24,363,849</b></u>

## **Shire of Halls Creek Annual Report for the Year Ended 30 June 2009**

### **8c. Movements in Carrying Amounts**

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

	<b>Land &amp; Buildings \$</b>	<b>Furniture &amp; Equipment \$</b>	<b>Mobile Plant/ Vehicles \$</b>	<b>Infrastructure Other \$</b>	<b>Infrastructure Roads \$</b>	<b>Total \$</b>
Balance as at 1 July 2008	15,782,016	210,774	2,016,194	1,357,033	4,997,832	24,363,849
Additions	281,494	128,886	714,200	532,378	2,718,825	4,375,783
Disposals	0	(53,673)	(492,223)	0	0	(545,896)
Revaluations - Increment	0	0	0	0	0	0
- (Decrement)	0	0	0	0	0	0
Impairment - (Losses)	0	0	0	0	0	0
- Reversals	0	0	0	0	0	0
Depreciation Operating Expense	(471,712)	(61,469)	(352,128)	(236,869)	(1,942,777)	(3,064,955)
Depreciation Written Back (Disposals)	0	53,648	338,680	0	0	392,328
Balance as at 30 June 2009	5,591,798	278,166	2,224,723	1,652,542	5,773,880	25,521,109

# Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

	NOTES	2008/2009 Actual \$	2007/2008 Actual \$
<b>9. TRADE AND OTHER PAYABLES</b>			
<b>Current</b>			
Creditors - Sundry		925,838	371,351
Excess Rates		7,335	0
GST Payable		88,136	0
Accrued Interest on Debentures		20,008	22,482
Accrued Salaries and Wages		0	68,461
PAYG & FBT Liability		70,440	39,046
		<u>1,111,757</u>	<u>501,340</u>
<b>10. PROVISIONS</b>			
<b>Current</b>			
Provision for Time in Lieu		4,250	0
Provision for Annual Leave & RDO's		205,651	61,036
Provision for Long Service Leave		35,472	22,632
		<u>245,373</u>	<u>83,668</u>
<b>Non Current</b>			
Provision for Long Service Leave		18,012	13,958
		<u>18,012</u>	<u>13,958</u>
<b>11. LONG TERM BORROWINGS</b>	19		
<b>Current</b>			
Debentures		72,553	87,516
		<u>72,553</u>	<u>87,516</u>
<b>Non-Current</b>			
Debentures		633,477	706,030
		<u>633,477</u>	<u>706,030</u>
		<u>706,030</u>	<u>793,546</u>

# Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

	NOTE	2008/09 Actual \$	2008/09 Budget \$	2007/08 Actual \$
<b>12. RESERVES</b>				
<b>RESERVES - CASH BACKED</b>				
<b>(a) Employee Entitlement</b>				
Opening Balance		44,090	44,090	35,776
Amount Set Aside / Transfer to Reserve		2,358	3,520	12,350
Amount Used / Transfer from Reserve		0	0	(4,036)
		<u>46,448</u>	<u>47,60</u>	<u>44,090</u>
<b>(b) Computer Upgrade</b>				
Opening Balance		10,260	10,259	0
Amount Set Aside / Transfer to Reserve		548	820	10,260
Amount Used / Transfer from Reserve				
		<u>10,808</u>	<u>11,079</u>	<u>10,260</u>
<b>(c) Office Redevelopment</b>				
Opening Balance		45,320	45,320	23,432
Amount Set Aside / Transfer to Reserve		2,423	3,626	21,888
Amount Used / Transfer from Reserve			0	
		<u>47,743</u>	<u>48,946</u>	<u>45,320</u>
<b>(d) Aboriginal EHO Vehicle</b>				
Opening Balance		26,963	26,963	25,472
Amount Set Aside / Transfer to Reserve		1,442	2,158	1,491
Amount Used / Transfer from Reserve		(22,000)	(22,000)	0
		<u>6,405</u>	<u>7,121</u>	<u>26,963</u>
<b>(e) Airport Operating</b>				
Opening Balance		447,048	447,048	422,373
Amount Set Aside / Transfer to Reserve		23,907	35,765	74,675
Amount Used / Transfer from Reserve		\ (179,000)	(179,000)	(50,000)
		<u>291,955</u>	<u>303,813</u>	<u>447,048</u>
<b>(f) Plant Replacement</b>				
Opening Balance		423,406	423,406	206,170
Amount Set Aside / Transfer to Reserve		22,642	33,872	217,236
Amount Used / Transfer from Reserve		0	0	0
		<u>446,048</u>	<u>457,278</u>	<u>423,406</u>
<b>(g) Staff Housing</b>				
Opening Balance		206,637	206,637	146,766
Amount Set Aside / Transfer to Reserve		230,611	16,530	59,871
Amount Used / Transfer from Reserve		0	0	0
		<u>437,248</u>	<u>223,167</u>	<u>206,637</u>
<b>(h) Aquatic Centre</b>				
Opening Balance		76,947	76,947	0
Amount Set Aside / Transfer to Reserve		114,114	6,155	76,947
Amount Used / Transfer from Reserve		0	10,000	0
		<u>191,061</u>	<u>93,102</u>	<u>76,947</u>

## Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

	2008/2009 Actual \$	2008/2009 Budget \$	2007/2008 Actual \$
<b>12. RESERVES (Continued)</b>			
<b>RESERVES - CASH BACKED (Continued)</b>			
<b>(i) TV Rebroadcasting</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	9,450	9,450	0
Amount Used / Transfer from Reserve	0	0	0
	9,450	9,450	0
 <b>Total Cash Backed Reserves</b>	 <b>1,487,166</b>	 <b>1,201,566</b>	 <b>1,280,671</b>

All of the cash backed reserve accounts are supported by money held in financial institutions.  
These match the amount shown with restricted cash at Note 4

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

**Employee Entitlements**

- to be used to fund long service leave and/or other significant payment that may be required upon termination of an employee.

**Computer Upgrade**

- to be used to fund the upgrade and/or replacement of the Shire's network operating computer system or any of the administrative or financial management computer operating programmes

**Office Redevelopment**

- to be used for the extension/major re-development of the Administration office building

**Aboriginal EHO Vehicle**

- to be used for the purchase of new AEHO vehicle, in conjunction with HDWA

**Airport Operating Works**

- to be used to fund major operational or major capital works required at the Shire of Halls Creek Airport

**Plant Replacement**

- To be used for the purchase or major capital upgrade of large plant items such as road construction plant requirements

**Staff Housing**

- to be used to fund the construction, development or purchase of residential housing or land to be utilise by the Shire of Halls Creek for the provision of staff housing

**Aquatic Centre**

- to used for the construction of and/or major upgrade or operating expenses for the Shire's Aquatic and Recreation Centre

**Rebroadcasting**

- to be used for the purchase of capital equipment/major works or significant operating expenses the rebroadcasting facilities.

## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

### **RESERVES - ASSET REVALUATION**

**2009**  
**Actual**  
**\$**

**2008**  
**Actual**  
**\$**

Asset revaluation reserves have arisen on revaluation of the following classes of assets:

#### **Buildings and Land**

Balance as at 1 July 2008	1,664,487	1,664,487
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2009	<u>1,664,487</u>	<u>1,664,487</u>
<b>Total Asset Revaluation Reserve</b>	<u><u>1,664,487</u></u>	<u><u>1,664,487</u></u>

## Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

### 13. ECONOMIC DEPENDANCY AND GRANTS

OPERATING GRANTS		2007/2008	2008/2009	2008/2009	2008/2009
Source of Grant	Purpose of Grant or Contribution	AMOUNTS UNSPENT \$	REVENUE RECOGNISED \$	AMOUNTS UTILISED \$	AMOUNTS UNSPENT \$
<b>GENERAL PURPOSE FUNDING</b>					
Grants Commission	Untied Financial Assistance Grant	0	4,381,030	4,381,030	0
Grants Commission	Untied Roads Financial Grant	0	735,413	735,413	0
	<i>Sub total</i>	<b>0</b>	<b>5,116,443</b>	<b>5,116,443</b>	<b>0</b>
<b>LAW, ORDER, &amp; PUBLIC SAFETY</b>					
Office Crime Prevention	Community Plan	2,400	1,200	0	3,600
Office Crime Prevention	Safety & Crime Prevention activities	11,200	0	0	11,200
Office Crime Prevention	CCTV Camera Grant	10,000	0	10,000	0
	<i>Sub total</i>	<b>23,600</b>	<b>1,200</b>	<b>10,000</b>	<b>14,800</b>
<b>HEALTH SERVICES</b>					
Health Dept	AEHO contribution	22,138	145,000	167,138	0
	<i>Sub total</i>	<b>22,138</b>	<b>145,000</b>	<b>167,138</b>	<b>0</b>
<b>WELFARE SERVICES</b>					
Office Crime Prevention	Youth Spaces	3,765	0	3,765	0
DCD	Youth Development Holiday programme	1,000	0	1,000	0
Office Crime Prevention	Tjurabalan workshops	5,000	0	5,000	0
FACS	Vacation Care Salaries	0	32,550	15,818	16,732
Corrective Services	Youth Co-Ordination	0	58,112	55,747	2,365
DCP	Young Peoples Services	0	104,334	57,327	47,007
Office Crime Prevention	HYPE contribution	5,000	0	5,000	0
DCP	HYPE contribution (Supplementary)	9,591	0	7,028	2,563
FACS via DEEWR	Equipment Grant	4,798	0	4,798	0
Attorney Generals	Youth Services - Tjurabalan region	0	660,000	0	660,000
Attorney Generals	Youth Development Officer	0	80,000	54,545	25,455
FaCS	Youth Hub	0	75,000	6,000	69,000
	<i>Sub total</i>	<b>29,154</b>	<b>1,009,996</b>	<b>216,028</b>	<b>823,122</b>



## Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

<b>RECREATION &amp; CULTURE</b>					
EDWA	Pool Operating Costs	0	30,000	30,000	0
Dept Health & Aged Care	Sport & Recreation Tjurabalan area	0	60,000	15,605	44,395
	<i>Sub total</i>	<b>0</b>	<b>90,000</b>	<b>45,605</b>	<b>44,395</b>
<b>TRANSPORT</b>					
MRWA	Direct Grant	0	95,267	95,267	0
MRWA	Street Lighting	0	2,919	2,919	0
	<i>Sub total</i>	<b>0</b>	<b>98,186</b>	<b>98,186</b>	<b>0</b>
<b>OTHER PROPERTY &amp; SERVICES</b>					
WA Government	MUNS Implementation	51,615	50,000	101,615	0
NT Government	Promotion of Tanami	15,000	0	0	15,000
Kimberley DC	Halls Creek Community Strategy	0	10,000	10,000	0
FACS	Youth Programme – HCC Strategy Plan	0	5,000	5,000	0
	<i>Sub total</i>	<b>66,615</b>	<b>65,000</b>	<b>116,615</b>	<b>15,000</b>
<b>TOTAL OPERATING GRANTS</b>		141,507	6,525,825	5,770,015	897,317
<b>Contributions, Donations, Reimbursements</b>					
			158,839		
			<u>6,684,664</u>		

# Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

NON OPERATING GRANTS		2007/2008	2008/2009	2008/2009	2008/2009
Source of Grant	Purpose of Grant or Contribution	AMOUNTS UNSPENT \$	REVENUE RECOGNISED \$	AMOUNTS UTILISED \$	AMOUNTS UNSPENT \$
<b>GENERAL PURPOSE FUNDING</b>					
DOTARS	Regional Local Community Infra programme	0	100,000	0	100,000
DLGRD	Royalties for Regions	0	1,526,029	123,901	1,402,128
	<i>Sub total</i>	<b>0</b>	<b>1,626,029</b>	<b>123,901</b>	<b>1,502,128</b>
<b>RECREATION</b>					
Argyle Diamonds	Pool Sails	150,000	0	18,870	131,130
DCD	Youth & Rec	59,860	0	50,920	8,940
	<i>Sub total</i>	<b>209,860</b>	<b>0</b>	<b>69,790</b>	<b>140,070</b>
<b>TRANSPORT</b>					
Remote Access FAGS	Remote Acces Roads	0	254,001	145,303	108,698
Main Roads WA	Special - Tanami Funding (Ruby Plains)	0	0		0
Main Roads WA	Remote Acces Roads	0	91,600	30,497	61,103
Main Roads WA	Special Funding	377,700	612,463	990,162	1
Main Roads WA	Tanami Rd - Flood Damage	40,877	0		40,877
Main Roads WA	Blackspot	192,278	0	0	192,278
Roads To Recovery	General	171,119	286,422	307,341	150,200
Roads To Recovery	Remote Acces Roads	61,656	212,000	32,130	241,526
Roads To Recovery	Supplementary	0	0		0
Main Roads WA	Regional Road Group	100,000	474,306	574,306	0
Infrastructure	Regional Airports Funding Programme	0	264,977	264,977	0
	<i>Sub total</i>	<b>943,630</b>	<b>2,195,769</b>	<b>2,344,716</b>	<b>794,683</b>
<b>TOTAL NON OPERATING GRANTS</b>		1,153,490	3,821,798	2,538,407	2,436,881
<b>TOTAL GRANTS</b>		<b>1,294,997</b>	<b>10,347,623</b>	<b>8,308,422</b>	<b>3,334,198</b>

## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

### **14. NOTES TO THE STATEMENT OF CASH FLOWS**

#### **(a) Reconciliation of Cash**

For the purposes of the cash flow statement, 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 balance sheet as follows:

	NOTE	2008/09 Actual \$	2008/2009 Budget \$	2007/2008 Actual \$
Cash - Unrestricted	4	3,578,779	111,235	2,220,007
Cash - Restricted	4	4,821,364	1,501,566	2,564,468
		<u>8,400,143</u>	<u>1,612,801</u>	<u>4,784,475</u>

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

Net Profit (or Loss)		5,432,097	1,617,796	2,012,882
Depreciation		3,064,955	3,048,032	2,787,305
(Profit)/Loss on Sale of Asset		22,155	15,670	0
(Increase)/Decrease in Receivables		(880,865)	424,506	(36,515)
Increase/(Decrease) in Doubtful Debts		(29,672)	0	(69,422)
(Increase)/Decrease in Inventories		5,864	3,211	(3,358)
Increase/(Decrease) in Payables		610,417	247,706	113,472
Increase/(Decrease) in Employee Provisions		165,759	25,000	(50,037)
Grants/Contributions for the Development of Assets		(3,521,908)	(3,570,123)	(2,230,239)
<b>Net Cash from Operating Activities</b>		<u>4,868,802</u>	<u>1,811,798</u>	<u>2,524,088</u>

#### **(c) Credit Standby Arrangements**

Credit Card Limit		75,000	75,000	75,000
<b>Total Amount of Credit Unused</b>		<u>75,000</u>	<u>75,000</u>	<u>75,000</u>

#### **(d) Loan Facilities**

Loan Facilities - Current		72,553	122,516	87,516
Loan Facilities - Non-Current		633,477	1,548,514	706,030
<b>Total Facilities in Use at Balance Date</b>		<u>706,030</u>	<u>1,671,030</u>	<u>793,546</u>
<b>Unused Loan Facilities at Balance Date</b>		<u>0</u>	<u>0</u>	<u>0</u>

## **Shire of Halls Creek Annual Report for the Year Ended 30 June 2009**

### **15. CAPITAL AND LEASING COMMITMENTS**

#### **(a) Finance Lease Commitments**

There are no finance lease commitments to report for the year ended 30 June 2009

#### **(b) Operating Lease Commitments**

There are no operating commitments to report for the year ended 30 June 2009

#### **(c) Capital Expenditure Commitments**

			<b>2008/2009</b>	<b>2007/2008</b>
	<b>Project Cost</b>	<b>Expended</b>	<b>Actual</b>	<b>Actual</b>
			<b>\$</b>	<b>\$</b>
Purchase Lot 237 Quilty Halls Creek	212,143	212,143	0	0
Shade Structures at Pool	220,000	18,870	201,130	0
Rodeo Ground Improvements	63,000	6,156	56,844	0
Youth Services Centre	510,000	4,585	505,415	0
Group Housing Construction	1,649,188	181,672	1,467,516	0
Darcy St SPQ	365,357	16,704	348,653	0
Mardiwah Loop Footpath	60,000	3,026	56,974	0
	<u>3,079,688</u>	<u>443,156</u>	<u>2,636,532</u>	<u>0</u>

### **16. TRUST FUNDS**

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

	<b>Balance</b>	<b>Amounts</b>	<b>Amounts</b>	<b>Balance</b>
	<b>1-Jul-08</b>	<b>Received</b>	<b>Paid</b>	<b>30-Jun-09</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Staff Christmas Club	5,950	8,980	14,930	0
Facility Bond Hire	1,093	14,107	10,700	4,500
BCITF	15,339	3,024	17,515	848
Unclaimed wages	24,731	0	0	24,731
Little Athletics	2,166	0	0	2,166
History Project	5,499	0	0	5,499
Election Nominations	0	0	0	0
Tourism Operators	32,258	137,087	164,481	4,864
Library Membership deposits	0	880	0	880
DPI Vehicle Licensing	260	254,643	247,877	7,026
Telecentre Income	0	12,207	617	11,590
COAG & Other Grants Funds	182,645	1,500	10,021	174,124
	<u>269,941</u>	<u>432,428</u>	<u>466,141</u>	<u>236,228</u>

## Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

	2008/2009	2007/2008
17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY	Actual	Actual
	\$	\$
Governance	2,979	1,067,621
General Purpose Funding	3,666,541	2,647,308
Law, Order, Public Safety	28,605	12,400
Health	19,699	71,794
Education and Welfare	851,922	61,082
Housing	3,258,177	2,604,162
Community Amenities	160,576	66,923
Recreation and Culture	11,221,676	11,423,757
Transport	10,111,112	9,118,650
Economic Services	108,419	96,310
Other Property and Services	6,604,903	2,743,845
Unallocated (Cash)	0	0
	<u>36,034,609</u>	<u>29,913,852</u>

18. FINANCIAL RATIOS	2008/2009	2007/2008	2006/2007
Current Ratio	3.76	4.76	2.80
Untied Cash to Trade Creditors Ratio	3.87	5.99	3.46
Debt Ratio	0.06	0.05	0.05
Debt Service Ratio	0.01	0.02	0.02
Gross Debt to Revenue Ratio	0.08	0.12	0.14
Gross Debt to Economically Realisable Assets	0.02	0.03	0.04
Rate Coverage Ratio	0.11	0.13	0.16
Outstanding Rates Ratio	0.12	0.25	0.25

The above rates are calculated as follows:

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

## Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

### 19. LONG TERM BORROWINGS (Detail)

#### (a) Debenture Repayments

Particulars	Principal 1-Jul-08	New Loans	Principal Repayments		Principal 30-Jun-09		Interest Repayments		
			Actual	Budget	Actual	Budget	Rate	Actual	Budget
							%		
Loan 21 - Duplex	58,379		38,281	38,281	20,098	20,098	6.76	1,980	1,980
Loan 22 - CEO house	90,331		17,835	17,835	72,496	72,496	6.67	5,138	5,138
Loan 23 - Triplex	524,897		18,215	18,215	506,682	506,682	6.68	34,156	34,156
Loan 24 - Office Redevelopment	119,939		13,185	13,185	106,754	106,754	5.79	6,842	6,842
	793,546		87,516	87,516	706,030	706,030		48,116	48,116

#### (b) New Debentures - 2008/2009

Nil

#### (c) Unspent Debentures

## Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

### 20. RATING INFORMATION - 2008/2009 FINANCIAL YEAR

RATE TYPE	Rate in \$ (cents)	Number of Properties	Rateable Value	Rate Revenue	Interim & Back Rates	Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue
<b>General Rate</b>										
- Gross rental value	10.4500	260	4,687,536	489,847	673	490,520	489,848	0	0	489,848
- Unimproved Value Mining	12.6500	194	4,122,336	521,476	10,231	531,707	572,616	0	0	527,616
- Unimproved Value Pastoral	6.9300	30	3,450,393	239,112	0	239,112	239,112	0	0	239,112
<b>Sub-Totals</b>		484	12,260,265	1,250,435	10,904	1,261,339	1,301,576	0	0	1,256,576
<b>Minimum Rate</b>	<b>Minimum \$</b>									
- Gross rental value	515	40	82,920	20,600	0	20,600	20,600	0	0	20,600
- Unimproved Value Mining	640	172	359,492	110,080	0	110,080	110,720	0	0	110,720
- Unimproved Value Pastoral	515	2	5,000	1,030	0	1,030	1,030	0	0	1,030
<b>Sub-Totals</b>		214	447,412	131,710	0	131,710	132,350	0	0	132,350
Ex Gratia										
<b>Totals</b>						<b>1,393,049</b>				<b>,388,926</b>

# Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

## 21. SPECIFIED AREA RATE - 2008/2009 FINANCIAL YEAR

NIL

## 22. SERVICE CHARGES - 2008/2009 FINANCIAL YEAR

This service charges is for the provision of re-broadcasting services. It is applicable to all owners of properties within a designated area. The proceeds are applied in full to the actual cost to the Shire for the re-broadcasting service.

Rebroadcasting Services		
2008/2009 Actual \$	2008/2009 Budget \$	2007/2008 Actual \$
15,000	14,950	7,475

## 23. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS 2008/2009 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value	Budget Cost/ Value
Other	Write off	NA	1,244	
Sundry Debtors	Write Off	NA	49,586	
Rates Debtors	Write-Off	NA	7,743	20,000
Community Facility Hire Grants	Subsidy	NA	8,480	20,000

The Shire of Halls Creek does not grant a discount for the early payment of rates appearing on the rate notice.

In 08/09, the Council agreed to waive, reduce or refund facility hire charges for approved applicants only. The final cost of fees forgone are shown above as "community facility hire grants"

## 24. INTEREST CHARGES AND INSTALMENTS - 2008/2009 FINANCIAL YEAR

	Interest Rate (%)	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11		23,766	18,000
Interest on Instalment Plan	6		3,631	7,509
			27,397	25,509
Charges on Instalment Plan	5.5	9	2,619	2,650
			30,016	28,159

*sub-total*



## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

	<b>2008/2009</b>	<b>2007/2008</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<b>25. FEES &amp; CHARGES</b>		
General Purpose Funding	48,363	6,125
Governance	432	0
Law, Order, Public Safety	6,731	1,397
Health	2,551	2,709
Education & Welfare	0	550
Housing	43,277	35,528
Community Amenities	168,445	152,810
Recreation & Culture	72,407	86,605
Transport	70,413	80,216
Economic Services	218,192	184,750
Other Property & Services	24,703	45,458
	<u>655,514</u>	<u>596,148</u>

At its February 2009 meeting, the Council resolved to reduce the fee for licensing of food premises from \$500.00 to \$200.00 per annum.

Except for the change in the fee for licensing of food premises, there were no changes during the year to the amount of the fees or charges detailed in the original budget.

	<b>2008/2009</b>	<b>2008/2009</b>	<b>2007/2008</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>26. COUNCILLORS' REMUNERATION</b>			
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	24,922	25,000	21,384
Travelling Expenses	19,763	15,000	12,111
Telecommunications	8,332	8,000	6,998
President's Allowance	6,000	6,000	2,499
	<u>59,017</u>	<u>54,000</u>	<u>42,992</u>

## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

### **27. EMPLOYEES' REMUNERATION**

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

<b>Salary Range</b>	<b>2008/2009</b>	<b>2007/2008</b>
<b>\$</b>		
100,000 - 110,000	2	1
190,000-200,000	<u>1</u>	<u>1</u>

### **28. EMPLOYEE NUMBERS**

The number of full-time equivalent  
Employees at balance date

<b>2008/2009</b>	<b>2007/2008</b>
<u>34</u>	<u>32</u>

### **29. MAJOR LAND TRANSACTIONS**

No major land transactions were completed during the period

### **30. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

No major trading undertakings occurred during the period.

# Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

## 31. DISPOSAL & REPLACEMENT OF ASSETS

31 (a) The following assets were purchased during the year

	Note	G/L Account	Actual \$	Budget \$
<b>Furniture and Fittings</b>				
Visitor Centre Alterns/Equip		00130801	0	3,000
Library Computer/Server		00117701	2,000	2,500
Gymnasium & Recreation Equip - Dcd Grant		00115804	43,074	59,860
Office Furniture And Equipment		00450702	0	10,000
Office Computers Printer Soft		00450721	20,770	40,000
Office Equipment - Major Items		00450723	21,373	10,000
Installation Cctv Circuit		00571701	9,932	10,000
Capital - Tv Rebroadcast Equip		00119701	0	30,000
Records Management Software		00420723	3,975	0
Telecentre Pcs		00117702	7,882	0
Plotter		00450725	19,879	25,000
<i>sub total</i>	8c		128,886	190,360
<b>Buildings</b>				
Aquatic Const Constn Swim Pool		00112801	16,167	30,000
Stormwater Drainage		00112802	0	220,000
Dog Pound Upgrade		00543704	0	35,000
Depot-Extensions/Improvements		00148703	119,622	5,000
Oval Pavillion - 3 Phase Power		00115702	0	35,000
Community Resource Centre		00119201	0	0
Office Additions & Renovations		00450740	19,317	0
Council Chamber Renovations		00410740	21,585	0
Upgrade Building - 88 Thomas		00855754	0	540,000
Capital-285 Welman Rd		00941931	19,997	20,000
Capital - 172 Kinivan Pmo		00941932	17,649	10,000
Capital 175 Bridge		00951703	0	10,000
Capital-Kinivan St Units		00951704	0	10,000
Capital-123B Roberta		00951706	0	10,000
Capital-120 Roberta		00951707	0	10,000
Capital-Depot Residence		00951708	0	10,000
Capital-Racecourse House		00951709	0	10,000
Capital-123A Roberta		00951711	0	1,100,000
2007/8 Housing - Aquatic Centre		00951713	0	10,000
Capital-122 Roberta		00951714	19,759	0
Refurb Staff Housing (Former Dic)		00951715	0	300,000
Capital - Darcy St Emts		00951717	1,509	10,000
Capital - 114A Bridge Street		00951718	845	10,000
Capital - 114B Bridge Street		00951719	0	10,000
Capital - 114C Bridge Street		00951720	973	10,000
Capital - Airport Residence		00951721	14,572	10,000
Capital - New Group Housing		00951723	0	60,000
Capital-Civic Hall Sewer Line		00114703	29,500	
<i>sub total</i>	8c		281,494	2,475,000

## Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

### DISPOSAL & REPLACEMENT OF ASSETS (continued)

The following assets were purchased during the year (continued)

	Asset No	G/L Account	Actual \$	Budget \$
<b>Plant and Equipment</b>				
Toyota Prado - Em Corporate Serv		00451752	46,664	52,500
4X4 Ranger Tray Back		00543701	88,842	52,000
Portable Car Fridge-Dog Contrl		00543703	0	0
Dog Cages (Portable)		00543705	1,455	3,000
Motor Vehicle-Health		00715701	46,893	52,000
Vehicle - Aboriginal Health		00722701	51,881	52,000
Emts Vehicle		00123715	59,560	61,250
Heavy Plant		00123732	2,118	0
Water Pumps		00123701	9,567	0
Vehicle - Road Construction Foreman		00123730	41,667	36,000
Skidsteer & Attachments		00123733	141,824	140,000
Pressurise Existing Water Tanker		00123734	2,786	10,000
New Water Tanker		00123735	82,077	80,000
Vehicle - Minor Works Foreman		00123736	55,449	61,000
Prime Mover&Trailer - Standardise		00123737	5,691	20,000
New 3 Tonne Truck		00123738	48,241	48,000
New Pressure Cleaner		00123739	0	5,000
New Lathe Jobbing		00123740	9,085	8,000
Satellite Phones (Capital Purchase)		00148704	20,400	30,000
<i>sub total</i>	8c		714,200	710,750
<b>Infrastructure - Roads</b>				
Tanami Road		120010	1,823,332	1,269,038
Street Re-sealing		120017	0	115,000
Tanami - 207 - 217SLK		120018	166,496	1,579,000
Balgo		120208	32,130	151,656
Dehe Seal		120215	65,871	0
Duncan Seal		120216	242,565	0
Beckett - Seal/Reform		120217	7,463	0
Cox Seal		120218	332	0
Downing Seal		120219	122,006	0
Tanami Road		120263	116,372	486,460
Tanami Ruby Plains Seal		120119	0	300,000
Lake Gregory 45SLK		120209	9,303	299,000
RB Creek		120601	15,874	50,000
Forrest River		120602	0	15,000
RB Creek +1		120603	0	5,000
Sophie Downs		120604	15,972	10,000
Old Town (Small)		120605	0	15,000
Red Hill Road		120606	5,318	0
Refuse Tip Road		120607	5,318	0
Springvale-Landsdowne		120211	82,131	100,000
Sophie Downs Hills		120212	0	5,000
Seal - Blue Water		120213	0	75,000
Seal - Sturt Creek		120214	0	60,000
Seal - Cemetery		120119	0	300,000

## Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

### DISPOSAL & REPLACEMENT OF ASSETS (continued)

The following assets were purchased during the year (continued)

	Asset No	G/L Account	Actual \$	Budget \$
Duncan Road Elvire Crossing		120403	7,459	388,239
Flood Damage Tanami Road		120504	884	57,216
<i>sub total</i>	8c		2,718,825	5,280,609
<b>Infrastructure - Other</b>				
Cemetery Improvements		00108701	9,800	45,000
Refuse Site - Improvements		00101701	80,626	81,400
Public Toilets/Dump Point		00108702	0	100,000
Fencing - Airport		00128711	0	0
Capital - Civic Hall Fencing		00114702	72,200	0
Airport Sealing Rads Funded		00128716	286,117	413,100
Rafp - Grant Expenditure		00128714	80,503	256,860
Capital - Extend Oval Bore		00115703	0	10,000
Capital - New Bore 71 Thomas		00110701	0	30,000
Capital - Oval Fencing		00115704	0	60,000
Capital - Conrete Drainage		00128717	3,132	25,000
<i>sub total</i>	8c		532,378	1,021,360
			4,375,783	9,678,079

## Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

### 31. DISPOSAL & REPLACEMENT OF ASSETS (Continued)

31 (b) The following assets were disposed of during the year.

	Asset No	Historical Cost \$	Accumulated Depreciation \$	Net Book Value		Sale Price		Profit (Loss)	
				Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Furniture and Fittings</b>									
Canon Photocopier	2014	10,558	10,558	0		4		4	0
Satellite phone	2017	7,324	7,324	0		16		16	0
CD player	2024	909	909	0		32		32	0
Vodafone satellite phones (4)	2038	5,866	5,866	0		16		16	0
Youth Services computers	2041	18,088	18,088	0		61		61	0
Satellite phone	2043	2,725	2,725	0		18		18	0
Cannon fax machine	231	3,425	3,425	0		4		4	0
Passport camera	3015	1,486	1,461	25		18		(7)	0
Desktop computers	3016	1,768	1,768	0		61		61	0
Desktop computers	3023	1,523	1,523	0		61		61	0
<i>sub total</i>		<i>53,672</i>	<i>53,647</i>	<i>25</i>	<i>0</i>	<i>291</i>		<i>266</i>	<i>0</i>
<b>Plant and Equipment</b>									
Skid Steer					0		8,000	0	8,000
EMCS Vehicle					19,913		10,000	0	(9,913)
Ropa Caravan Plant#654	13	66,360	61,346	5,014		182		(4,832)	0
Ropa Accommodation Van with ablutions	14	18,617	18,617	0		364		364	0
Ropa Accommodation Van	15	17,573	17,573	0		500		500	0
Kerbing Machine	1563	6,572	6,572	0		500		500	0
Toyota HiLux Plant#71	1577	25,765	25,765	0	19,454	13,636	20,000	13,636	546
Mitsubishi FB11 Canter	1589	34,867	34,867	0	0	9,091	8,000	9,091	8,000

## Shire of Halls Creek Annual Report for the Year Ended 30 June 2009

### 31. DISPOSAL & REPLACEMENT OF ASSETS (Continued)

31 (b) The following assets were disposed of during the year (continued).

	Asset No	Historical Cost \$	Accumulated Depreciation \$	Net Book Value		Sale Price		Profit (Loss)	
				Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Plant and Equipment (continued)</b>									
Hino Tip Truck	1596	65,427	56,567	8,860		4,546		(4,314)	0
Ropa Mess Caravan Plant#651	17	36,878	36,878	0		4,000		4,000	0
Tandem trailer with slip on unit	232	1,892	1,892	0		45		45	0
Howard heavy duty slasher	235	5,907	5,907	0		9		9	0
Vicon fertiliser spreader	265	1,102	1,102	0		18		18	0
Mobile fuel tanks (2)	276	7,500	7,500	0		182		182	0
Toyota Prado	3042	51,823	20,527	31,296	31,317	27,273	23,000	(4,023)	(8,317)
Toyota HiLux Plant#90	3059	31,715	11,901	19,814	19,986	9,091	6,000	(10,723)	(13,986)
Mobile toilets and trailers	317	18,653	18,653	0		864		864	0
Toyota Utility with trademate	7022	56,734	10,064	46,670		17,727		(28,943)	0
Toyota Hilux P1027	7037	44,839	2,949	41,890		43,095		1,205	0
<i>sub total</i>		<i>492,224</i>	<i>338,680</i>	<i>153,544</i>	<i>90,670</i>	<i>131,123</i>	<i>75,000</i>	<i>(22,421)</i>	<i>(15,670)</i>
		<b>545,896</b>	<b>392,327</b>	<b>153,569</b>	<b>90,670</b>	<b>131,414</b>	<b>75,000</b>	<b>(22,155)</b>	<b>(15,670)</b>

## **Shire of Halls Creek Annual Report for the Year Ended 30 June 2009**

### **32. FINANCIAL RISK MANAGEMENT**

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

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

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

The Council held the following financial instruments at balance date:

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Cash and cash equivalents	8,400,143	4,784,475	8,400,143	4,784,475
Receivables	1,574,089	663,552	1,574,089	663,552
	<u>9,974,232</u>	<u>5,448,027</u>	<u>9,974,232</u>	<u>5,448,027</u>
<b>Financial Liabilities</b>				
Payables	1,111,757	501,340	1,111,757	501,340
Borrowings	706,030	793,546	698,970	785,741
	<u>1,817,787</u>	<u>1,294,886</u>	<u>1,810,727</u>	<u>1,287,081</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

#### **(a) Cash and Cash Equivalents**

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

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

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

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

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

	<b>30-Jun-09</b>	<b>30-Jun-08</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	84,001	47,845
- Income Statement	84,001	47,845

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



## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

### **(b) Receivables**

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

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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

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

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

	<b>30-Jun-09</b>	<b>30-Jun-08</b>
Percentage of Rates and Annual Charges		
- Current	52.81%	60.50%
- Overdue	47.19%	39.50%
Percentage of Other Receivables		
- Current	93.81%	41.00%
- Overdue	6.19%	59.00%

## **Shire of Halls Creek Annual Report for the Year Ended 30 June 2009**

### **32. FINANCIAL RISK MANAGEMENT (Continued)**

#### **(c ) Payables**

#### **Borrowings**

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2009</u></b>					
Payables	1,111,757	0	0	1,111,757	1,111,757
Borrowings	<u>117,340</u>	<u>405,894</u>	<u>513,318</u>	<u>1,036,552</u>	<u>706,030</u>
	<u><u>1,229,097</u></u>	<u><u>405,894</u></u>	<u><u>513,318</u></u>	<u><u>2,148,309</u></u>	<u><u>1,817,787</u></u>
<b><u>2008</u></b>					
Payables	501,340	0	0	501,340	501,340
Borrowings	<u>138,106</u>	<u>395,277</u>	<u>658,265</u>	<u>1,191,648</u>	<u>793,546</u>
	<u><u>639,446</u></u>	<u><u>395,277</u></u>	<u><u>658,265</u></u>	<u><u>1,692,988</u></u>	<u><u>1,294,886</u></u>

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

## ***Shire of Halls Creek Annual Report for the Year Ended 30 June 2009***

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

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate %
	\$	\$	\$	\$	\$	\$	\$	
<b><u>Year Ended 30 June 2009</u></b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures	0	20,098	0	0	72,496	613,436	706,030	5.82%
Weighted Average Effective Interest Rate	0%	2.33%	0%	0%	5.35%	6.21%		
<b><u>Year Ended 30 June 2008</u></b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures	0	58,379	0	0	90,331	137,976	286,686	6.30%
Weighted Average Effective Interest Rate	0.00%	6.64%	0.00%	0.00%	6.67%	5.91%		



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

*Report on the Financial Report*

We have audited the accompanying financial report of the Shire of Halls Creek, which comprises the balance sheet as at 30 June 2009 and the income statement by nature or type, income statement by program, statement of changes in equity, cash flow statement and rate setting statement for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

*Council's Responsibility for the Financial Report*

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

*Auditor's Responsibility*

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

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

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

**Independence**

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

**Auditor's Opinion**

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

- a. giving a true and fair view of the Shire's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).



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

**Statutory Compliance**

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

**Annual Financial Report**

Council did not submit the Annual Financial Report for the year ended 30 June 2008 to the Department of Local Government within 30 days of receipt of the auditor's report as required by Financial Management Regulation 51(2).

**Other Matters**

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

- a) There are no matters that in our opinion indicate a significant adverse trend in the financial position or the financial management practices of the Shire.
- b) Except as detailed above, there were no other 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

A handwritten signature in blue ink, appearing to read 'David Tomasi'.

DAVID TOMASI  
PARTNER

Date: 25 September 2009  
Perth, WA