



## **2011/2012 ANNUAL REPORT**

## COUNCILLORS



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Elected 2009 Retires 2013

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## **COUNCIL & COMMITTEE MEETINGS**

### **COUNCIL MEETINGS**

Council Meetings are held on the third Friday of each month. All Council meetings are held in the Northampton Council Chambers except for the February, June and October meetings which are held in the Allen Centre, Kalbarri.

The Council and Committee meetings are open to the public and there is public question time at the beginning of both Council and Committee meetings at which time the general public may ask questions on any Local Government matter.

Meeting dates and times are subject to change and if this does occur notice of such change is advertised as per the requirements of the Local Government Act 1995.

### **COMMITTEE MEETINGS**

Council has no operational standing committees however the following standing committees have been retained and meet on an as needs basis.

None of the following committees have delegated power which requires all committee recommendations having to be put before full Council for final determination.

#### Audit Committee

Cr's Wilson, Parker, Gliddon, & Stock Standen.

#### Housing & Property Committee

Members - Cr's Wilson, Parker, Booth and Building Surveyor/Environmental Health Officer.

#### Disability Services Committee

Members - Cr's Gliddon, Booth and Building Surveyor/Environmental Health Officer.

#### Batavia Coast Regional Organisation of Councils

Cr's Wilson, Parker and CEO, alternates Cr Gliddon and Cr Simkin.

#### Kalbarri Airport Joint Venture Committee

Cr's Wilson, Parker & CEO  
Alternates – Cr's Gliddon & Simkin

#### Plant Replacement Committee

Cr's Wilson, Cripps, Simkin, Carson, Stock-Standen, CEO. Deputy CEO and Manager of Works & Technical Services

#### Kalbarri Planning Strategy Committee

Cr's Gliddon, Penn, Booth, Principal Planner and three community representatives.  
Alternates – Cr's Wilson & Parker



## **PRESIDENTS REPORT**

It is with pleasure as President of the Northampton Shire that I present my 2011/12 Annual Report.

October 2011 was the biannual election for local governments. Owen Simkin who served for 12 years on the shire retired and on behalf of the Shire and its communities we thank Owen for his efforts and input into the Shire.

We welcome a new elected member in Cr Craig Simkin who was elected unopposed for the Northampton Ward. Existing Councillors also elected unopposed were Cr's Lou Parker, Terry Carson, Patricia Gliddon and myself. I also thank the Councillors for re-electing me as the President. Cr Parker was re-elected as Deputy President.

The 2011/12 year has presented many challenges. With a forward thinking Council we have met those challenges and continue to provide and improve services to the shires residents and visitors. I feel the year ahead is a year of consolidation and that is reflected in the 2012/13 Budget.

One of the biggest achievements this year was the completion and official opening of the redevelopment of the Northampton Community Centre. This new Centre would rival any within the regional area. It has been a combined effort and contributions of many in the community, Council and the shire staff and is a facility that will service our and neighbouring areas well into the future.

The centre was officially opened on the 4 February 2012 by the Minister for Sport, the Honorable Terry Waldron.

Since the centre has been completed it has already been used for many functions that would not have been possible previously.

Also through the year the official opening of the new Binu Hall was held. The official opening was undertaken by the Hon Mia Davies MLC, Member for the Agricultural Region. This facility has been an outstanding success in providing a very modern community facility for the Binu, Balla and Ajana areas.

During the year the Council completed an 8 lot residential subdivision on the old school oval. These lots are of high quality with excellent views of the rural and the Northampton townsite and is Councils commitment to progressing growth within our communities.

The Council continues to fund scholarships of both sporting and academic. In the year under review a sporting scholarship was awarded to Zoe Sellers who competed in the under 19 National Netball Championships. Zoe is the third resident from Northampton to compete in these championships.

Scholarships to attend the Geraldton Combined University were awarded to Debbie Carson (Northampton) and Rachel Clancy (Kalbarri) to further their education in their chosen fields.

A major event that took place was the inaugural Zest Festival in Kalbarri. All those responsible for organizing this event are to be congratulated. The Zest Festival was part of the 400<sup>th</sup> anniversary of the shipwreck “Zuytdorp” and the landing of some of its crew and passengers. It was a most successful and fitting celebration. It was very pleasing to have the Dutch Ambassador Cornelis Wilhelmus ANDREAE present at the celebrations.

Council is still progressing with the development of aged persons independent living units and aged care hospice for both Northampton and Kalbarri. Independent organization Global Care in partnership with Council is still progressing with plans etc. Council is having some issues with the securing of the land for the Kalbarri development however it is hoped this will be resolved in 2012/13. The biggest issue we have is the decrease in funding for such facilities from the Federal Government, despite this the Council will continue to progress these two developments and hopefully they will come to fruition in the not too distant future.

2014 marks a significant event for the Northampton townsite where it will be 150 years old. A planning committee is being formed to plan for Council/community events and encourage all other sporting and non sporting organisations to also plan for their individual events and celebrate this important milestone in our history.

Finally I would like to thank all staff for their efforts and continued dedication to the progression and management of the Shire, and applaud the Councillors for the work they contribute to the community and in directing this Shire now and into the future.

**CR GORDON WILSON  
SHIRE PRESIDENT**



Geraldton University Scholarship Winners



## **CHIEF EXECUTIVE OFFICERS REPORT**

It is with pleasure to present my annual report on the 2011/2012 year of operations of the Shire of Northampton.

### **MANAGEMENT STAFF**

The Chief Executive Officer is responsible for the overall management of the Shire and I am pleased to report that the following Management Staff are a blend of dedicated and professional staff which has resulted in benefits for the Shire.

|                                                     |                                 |
|-----------------------------------------------------|---------------------------------|
| Chief Executive Officer                             | Garry Keeffe                    |
| Deputy Chief Executive Officer                      | Jamie Criddle (now vacant)      |
| Environmental Health Officer<br>& Building Surveyor | Glenn Bangay                    |
| Principal Planner                                   | Hayley Williams/Kathryn Jackson |
| Manager of Works and Technical Services             | Neil Broadhurst                 |

All staff members are there to serve you and should you have a query on any issue please do not hesitate to contact them or myself.

In accordance with provisions Regulation 19B of the *Local Government (Administration Regulations) Act 1995, Regulation 19B* it is reported that there were two staff members who received an annual wage salary equivalent to or greater than \$100,000.

### **BUDGETING**

The Shires budgeting process commences in February/March of each year with the preparation of a draft budget based on previously adopted works and capital expenditure programs and issues identified to elected members and staff by residents of the Shire. Residents are encouraged to provide budgetary requests either to their elected members or to the management staff. The draft budget is presented at a special meeting of Council, normally held within the last two weeks of July of each year, where it is refined until a suitable balance between required works and an acceptable rate level is achieved.

## Finance

The Shire's financial position to the 30 June 2012 ended with an untied accrued deficit of \$315,587 with restricted cash of an additional \$795,218. The restricted cash component is for use in the 2013/2014 year. The deficit is a result of a loan of \$390,000 for plant purchases not being received by 30 June 2012.

Council was able to continue to supply new infrastructure and services, undertake other road projects that were a priority of Council, and continue to provide existing services at an acceptable level.

All the communities within the Shire are experiencing growth or will experience growth in the near future and the task to provide the communities with existing and new facilities and infrastructure is an ongoing challenge for the Council.

## General Purpose Grant

Whilst the demand for works and services throughout the Shire is increasing the levels of Government funding, particularly the General Purpose Grant and Roadworks funds have been slowly increasing in recent years as compared to a static and reduction of funds in previous years as the following table shows.

|           |             |           |             |
|-----------|-------------|-----------|-------------|
| 2000/2001 | \$ 850,416  | 2004/2005 | \$ 962,719  |
| 2001/2002 | \$ 872,275  | 2005/2006 | \$1,000,585 |
| 2006/2007 | \$1,028,418 | 2007/2008 | \$ 993,213  |
| 2008/2009 | \$1,052,350 | 2009/2010 | \$1,072,083 |
| 2010/2011 | \$1,148,048 | 2011/2012 | \$1,238,720 |

Regrettably the allocation for 2012/2013 has been decreased by \$57,139 which is a major reduction and will have an effect on the 2012/13 budget.

## Major Sources of Income

Apart from the General Purpose Grant the other major sources of income required to match the expenditure of Council are:

|                               |             |
|-------------------------------|-------------|
| Rates                         | \$3,173,962 |
| Road Grants                   | \$1,996,534 |
| Refuse Charges                | \$ 864,413  |
| Sale of Assets (trade values) | \$ 371,376  |
| Other Government Grants       | \$1,042,951 |
| Royalties for Regions Grant   | \$1,676,102 |
| Other non Government Grants   | \$ 138,284  |
| Fees/Charges, reimbursements  | \$ 689,565  |
| Interest on Investments       | \$ 111,781  |
| Use of Land Sale Proceeds     | \$ 23,623   |
| Emergency Services Levy       | \$ 58,690   |
| Use of Reserve Funds          | \$ 45,872   |
| Loan Funds                    | \$ 410,915  |

## Major/Capital Expenditure

Some major projects and purchases made during the 2011/2012 year that have not been reported in other sectors of the Annual Report include:

- Construction/development of Peet Park – Kalbarri, community project with Council assistance.
- Completion of construction of the re-development of the Northampton Community Centre.

- Completion of the construction of the Binu Hall/Community Centre.
- Completion of Old School Oval, Northampton, residential subdivision.
- Commencement of Northampton Light Industrial Area subdivision.
- Construction of new public ablutions at Red Bluff.
- Commencement of planning for the redevelopment of the Kalbarri foreshore parkland areas.
- Assisted the Horrocks Progress Association in the construction of new shelters on the beach.
- Development of a promotional video for the whole shire which is aired on GWN7.

## **PLAN FOR THE FUTURE**

The Local Government Act 1995 requires a local authority to prepare a Plan for the Future for and requires an overview of that plan to be reported in the Council Annual Report.

The Act also requires a local authority to disclose in their Annual Report major initiatives that are proposed to commence or continue in the next financial year.

The following initiatives are proposed:

- Purchase/secure land for Aged Persons units.
- Construction of Transfer Stations at Port Gregory and Binu refuse sites (currently on hold to allow Council to consider alternative arrangements.)
- Restoration works to Mary Street Railway precinct buildings, Northampton.
- Complete planning and design for Grey Street, Kalbarri, redevelopment.
- Construct northern boat ramp and associated parking area in Kalbarri.
- Construct new skate park, Kalbarri.
- Commence construction/development of Northampton Light Industrial Area.

As from the 1 July 2013 there will no longer be a Financial Plan for the Future due to legislative changes. The Council, with community involvement, will be required to review its existing Strategic Plan and develop a long term financial plan. Another requirement will be the development of an Asset Management plan. These plans are currently being prepared.

## **STATE RECORDS ACT 2000 – STANDARD 2/PRINCIPAL 6**

In accordance with the requirements of Standard 2, Principal 6 of the State Records Act, I hereby report on how the Shire of Northampton employees are complying with the Shire's Records Keeping Plan:

### Item 6.1 - Staff Training, Information Sessions, Publications.

Activities to ensure staff awareness and compliance are under process of being implemented in accordance with Council's endorsed Record Keeping Plan and will be an ongoing requirement of the organisation.

In addition training has been undertaken and continues to be reviewed to ensure Council's electronic filing system and hard copy system is utilised fully and correctly. The electronic system and hard copy filing system work in conjunction with each other ensuring correct record keeping procedures.

### Item 6.2 – Performance Indicators in place

The following performance indicators have been developed to measure the efficiency and effectiveness of the Shire of Northampton's record keeping system:-

A register is to be maintained by the Administration staff responsible for filing all records of:-

- Records that cannot be located
- Files that are missing and unable to be located

With the administration centre being relatively small the issue of missing files has not been encountered with the exception of files that were archived some years prior and these too have been very minimal.

#### Item 6.3 – Agency Evaluation

The Shire of Northampton's record keeping system will be continually reviewed and improved where possible in order to pursue best practice for the organisation. The current record keeping systems are assessed as being efficient and effective for the requirements of the organisation.

#### **CONCLUSION**

Each year the Council is faced with many challenges and requests from residents for major infrastructure and these have been achieved over the years. We cannot accommodate every request however the Council and staff do work towards long term planning in an endeavour to continue to provide services that are needed and to maintain existing. Some of the projects achieved in 2012/2013 have been planned for many years and there are more on the planning board for the future to make this Shire not only a great place to visit but a great place to live.

In conclusion my special thanks go to the staff and Councillors for their assistance, guidance and co-operation during the period of this report.

I also take this opportunity to thank the many residents who have assisted Council in some form in achieving its goals and objectives throughout 2012/2013.

**GARRY L KEEFFE**  
**CHIEF EXECUTIVE OFFICER**





## **WORKS & TECHNICAL SERVICES**

**NEIL BROADHURST  
MANAGER FOR WORKS & TECHNICAL SERVICES**

### **FOREWORD**

Major projects undertaken have been the continuation of Councils program to upgrade the rural road network in particular the commencement of a 3 year program to construct and seal approximately 10.5 kilometres of Ogilvie East Road (funded through the Royalties for Regions Fund and by landowners contributions by machinery and labour), reseal of Ogilvie East 2010/2011 construction works, further construction and widening of Horrocks Road 2.2 kilometres, reseal of Horrocks Road 2010/2011 widening works 2.5 kilometres, shoulder recondition work to Port Gregory Road 5.0 kilometres, shoulder reconditioning work to Ajana to Kalbarri Road 10.0 kilometres and reseal works to Chilimony Road 2010/2011 construction works 2.5 kilometres.

Various improvements to the townsites of Northampton, Kalbarri, Port Gregory and Horrocks were undertaken to enable continual enhancements to these areas.

Subdivision works completed within the Northampton townsite over the 2011/2012 financial year at the Old School site development in Northampton.

Extensive Dual Use Pathway works continue to be undertaken with this year seeing one of the larger projects being the replacement of the aged Dual Use Footpath that runs from the Northampton school site to Forrest Street. Continuing applications for grants etc should see the completion of this section in the coming years to the North West Coastal Highway.

Plant fleet was extensively upgraded seeing a new grader and maintenance truck purchased for the Northampton depot plus a new loader for the Kalbarri depot. The utility fleet saw an upgrade of 4 vehicles.

Continuing from previous years, farmers busy bees have been carried out with positive results. Similar to previous Binu East and Binu West Road type projects the Ogilvie East Road construction project was conditional on the supply and cartage of gravel by adjoining landowners. It is extremely pleasing that continuing support is forthcoming from landowners and acknowledges the need for assistance in such projects to deliver a road network that meets the growing need of the area. Both the landowners and the Shire employees have been able to work well together and the efforts of the two parties involved should be commended for their efforts during the 2011/2012 year. The practice should continue to be encouraged with such projects in the future.

From a management perspective it is believed the Construction and Maintenance arm of the Council have had a very successful year as per the 2010/2011 financial year program. All major works have been completed in a timely manner and within reasonable budget expectations.

## **OPERATIONS**

### **Major Capital Works (Grant works)**

#### **Regional Road Group Projects.**

*Ajana to Kalbarri Road.* – Shoulder Reconditioning, Kalbarri townsite to Kalbarri airport (10 km's).

*Port Gregory Road.* – Shoulder Reconditioning, full length (5 km's)

*Horrocks Road.* – Widen 2.2km's from cha 2.500 to cha 4.700 to 7.2m bitumen seal.

*Horrocks Road.* – Reseal 2010/2011 widening works (cha 0.000 to cha 2.500).

#### **Roads to Recovery**

*Chilimony Road.* – Reseal 2010/2011 reconstruction works.

*Ogilvie East Road* – Reseal 2010/2011 construction works.

*Northampton – Bateman Street.* – Install storm water system.

#### **Royalties for Regions**

*Ogilvie East Road* – Stage 1- Construction works.  
(Works deferred to 2012/2013 due to weather restrictions.)

#### **Municipal Fund Construction**

*Mary Street.* – Reseal and replacement of concrete kerbline from Barlow Street to West Street.

*John Street.* – Install additional concrete kerb to overcome scouring.

*Old School site subdivision* – Rake Place and Axle Street. – 8 lot subdivision

*Bateman Street.* – NWCH to Barlow Street – Widening and enhancement works.  
(Works deferred for consideration into 2012/2013 budget.)

*Hampton Gardens Carpark.* – Reseal carpark.  
(Works deferred for consideration into 2012/2013 budget.)

*Forrest Street.* – Reseal 2010/2011 construction works.  
(Works deferred for consideration into 2012/2013 budget.)

*Forrest Street.* – Stephen Street to Floodway – Construct, drainage and seal.  
(Works deferred for consideration into 2012/2013 budget.)

*Mary Street.* – Enhancements to CBD – Asphalt seal.  
(Works deferred for consideration into 2012/2013 budget.)

#### **Coastal**

*Port Gregory – Port Street* – Install strip drainage and asphalt pavement.

#### **Kalbarri**

*Hackney Street* – Construction, bitumen sealing and drainage (Walker west)  
(Complete to primer seal - Reseal required 2012/20113)

*Hackney Street* – Construction, bitumen sealing and drainage of carpark area/s  
(Complete to primer seal - Reseal required 2012/20113)

*Magee Crescent* – Replace kerb reseal.  
(Works deferred for consideration into 2012/2013 budget.)

*Grey Street.* – Seal car park area (CBD).  
(Works deferred for consideration into 2012/2013 budget.)

*Grey Street – Boat Hire carpark* – Construct, seal and kerbed  
(Complete to primer seal - Reseal required 2012/20113)

*Grey Street – Hotel Carpark* – Construct, seal and kerbed  
(Complete to primer seal - Reseal required 2012/20113)

*Clotworthy Street/Smith Street.* – Install additional storm water drainage  
(Works commenced – To be completed 2012/2113.)

*Porter Street* – Reseal.  
(Works deferred to include into Porter Street 2012/2013 works.)

*Atkinson Crescent - Industrial area.* – Construct and seal open drain west side.  
(Works deferred for consideration into 2012/2013 budget.)

CBD shopping area – Enhance carpark area, construct and widen footpath.

## **Rural**

*Yallabatharra Road* – Construct and seal floodway.  
(Outstanding works to seal crossing deferred to 2012/2013)

*Binnu West Road* – Reseal 2010/2011 pavement repair area.  
(Works deferred for consideration into 2012/2013 budget.)

*Northampton Nabawa Road* – Reseal 2010/2011 corner realignment and pavement repair area.  
(Works deferred for consideration into 2012/2013 budget.)

## *Municipal Footpaths*

### **Northampton**

*Stephen Street* – Forrest Street to Northampton School.

*Stephen Street* – West of Burgees Street to service Grey Street.

### **Kalbarri**

*Smith Street* – Woods Street to Hasleby Street.

*Walker Street* – Hackney Street to Porter Street.  
(Works deferred for consideration into 2012/2013 budget.)

*Malaleuca Pathway* – Ongoing repair works.

### ***Minor/Specific/Other Works***

*Isseka East Road* - Gravel sheeting to various areas.

*Blue Well Road* - Gravel sheeting approx 1.5km.

*Ogilvie West Road* - Gravel sheeting approx 2.0km.

*Diepeveen Road* - Gravel sheeting approx 2.0km.

*Northampton Community Centre* – Enhancements to car park following Community Centre construction works.

*Roadside slashing* – Various Roads using specialised heavy duty slasher.

### **PLANT ISSUES/REPLACEMENTS**

Purchase of New Front End Loader to replace existing at Kalbarri.

Purchase of New Motor Grader to replace existing at Northampton.

Purchase of New Maintenance Truck, existing modified and transferred to Kalbarri.

Four (4) utility replacements within small vehicle fleet.

### **OPERATIONS WORKFORCE**

Outside staff numbers as follows (24);

Northampton construction and maintenance (12)

Kalbarri maintenance, parks and gardens (4)

Horrocks maintenance, parks and gardens (1)

Northampton, parks and gardens (2)

Mechanic (1)

Northampton Ranger (1)

Kalbarri Ranger (1)

Northampton tip supervisor (1)

Kalbarri tip supervisor (1)

Works staff have to the whole performed well undertaking many varying tasks throughout the Shire. Staff have also worked well with contractors and farmers when involved with gravel sheeting and construction works.





## **ENVIRONMENTAL HEALTH & BUILDING SERVICES**

**GLENN BANGAY**  
**ENVIRONMENTAL HEALTH OFFICER/BUILDING SURVEYOR**  
**ENVIRONMENTAL HEALTH OFFICER - THOMAS LACHLAN**

Areas of responsibility include:

### **ENVIRONMENTAL HEALTH**

Inspection of Food Premises, including stall holders and mobile food vendors;  
Surveillance of Food Standards;  
Ensuring currency of Legislation;  
Attendance as required on recall of food product;  
Hairdressing establishments;  
Body piercing establishments;  
Chiropractic and physiotherapy establishments;  
Caravan Parks and Camping Grounds;  
Other public and private accommodation;  
Public buildings;  
Public swimming pools (eg at motels);  
Approval and inspection of effluent disposal systems;  
Waste Management – recycling, refuse and rubbish;  
Follow-up of Notifiable Disease Notifications;  
Sampling of water supplies, public swimming pools, reuse treated sewage (golf course) and ground water at the Kalbarri Refuse Site, Port Gregory and other significant ground water sites;  
Noise, dust and other health related complaints;  
General advice to the public on matters relating to environmental health;  
And any other relevant health matter required to be attended to by Council.

### **BUILDING**

Assessment of Building Applications for compliance with the Building Code of Australia and relevant Australian Standards;  
Issue of Certificate of Design Compliance for Class 1 & 10 buildings;  
Issue of Building Permits;  
Issue of Demolition Permits;  
Inspection of building works during the course of construction and on completion, including site works, concrete footings and slabs, timber floor, wall and roof framing, masonry work, anchorage and tie down details, practical completion;  
Initial and periodic compliance inspections of private swimming pools;  
Disability Access and Inclusion Issues;  
Inspection and maintenance of Council controlled and owned buildings;  
Maintain close liaison with builders, architects/draftsmen and owner builders to ensure a high standard of building construction and compliance is maintained;  
And any other relevant building matter required to be attended to by Council.

A positive achievement for Councils' Building Services has been the ability to maintain an efficient turnaround time in receiving and processing building permit applications.

## **RESOURCE SHARING**

The Shire of Northampton provide Environmental Health Services to the Shire of Chapman Valley and Environmental Health and Building Services to the Shire of Shark Bay, both are our neighbouring Shires with the main workload being with the Shire of Shark Bay, which involves carrying out food premises inspections and reporting; caravan park inspections and issuing annual licences with conditions as required; swimming pool water sampling and potable water sampling from areas that are not supplied by a town water supply; septic tank application processing and inspection of the installed systems and issuing of the relevant licences, handling any and all other general environmental health issues and complaints that may arise; and all the aspects of building permit application and approvals (including issuing Certificate of Design Compliance for Class 1 & 10 buildings), inspections of buildings under construction, customer advice and assistance, planning and supervising the maintenance of all of Councils building assets, including a five year maintenance programme.

## **DISABLED ACCESS**

The Shire has a responsibility under the State Disability Services Act to continuously hold under review the provision of suitable access to its services and buildings for people with disabilities.

In line with this requirement under the Shire of Northampton Disability Access and Inclusion Plan Council's EHO/Building Surveyor will undertake a complete review of disability services within the Shire of Northampton and make recommendations as to future works and projects to enhance disability access to all areas.

## **WASTE MANAGEMENT**

During the year the Council has sought to continue improvement in its waste management practices and an improved level of compliance with Department of Environment requirements.

As of the 1<sup>st</sup> July 2009 all putrescible waste collected by Councils refuse collection contractor, Veolia Environmental Services, has been transported direct to the Meru site in Geraldton. The new compaction unit and infrastructure has been completed and the 40 cubic metre compaction unit installed and commissioned at the Kalbarri Works Depot and is operating effectively and efficiently.

Capping, sealing and the rehabilitation of the putrescible dumping site has been completed at the Kalbarri refuse site

Both refuse sites/transfer stations have been downgraded from putrescible sites to inert and green waste sites, with no hazardous materials accepted.

No septage waste is received at the Kalbarri liquid waste site and the site has been rehabilitated. The Northampton septage pit has been downgraded to accept no more than 100,000 litres of waste per year, locally sourced only, and the dumping fees have been altered to be in line with the current fees at adjoining Local Authorities.

Council is researching the possibility of purchasing land adjoining the current Binu Refuse Site to extend the life and availability of efficient refuse disposal in the area.

## **PUBLIC SWIMMING POOLS**

Inspections and water sampling of 15 Public Swimming Pools is conducted on a monthly basis as per the requirements of the new regulations.

The Department of Health had issued "Closure Notices" on 7 public pools in Kalbarri until the required works had been carried out and applications to reopen were received by the Department. The Department of Health has now approved 6 of these pools and they have been added to the regular monthly sampling list, fees apply for this service. Currently there is only one pool that is still the subject of a closure notice, and requires certain works to be carried out to bring the pool into legislative compliance.

### **RECYCLED WASTE WATER SAMPLING**

Reticulated waste water sampling is undertaken on a regular basis from the Kalbarri Golf Club ponds, all samples taken complied with the water quality parameters as required by the Health Department licence conditions over the last year.

### **DRINKING WATER SAMPLING**

Chemical analysis of the Kalbarri Spring Water was conducted and the results were satisfactory, a works request was issued for work to be carried on the bottling facility and sampling points, these works have been carried out and further upgrading will be required as finances become available.

### **KALBARRI REFUSE SITE MONITORING BORE**

As per the conditions of the licence issued by the Department of Environment and Conservation, bi-annual water samples are taken from the ground water monitoring bore at the Kalbarri refuse site to ensure that there is no ground water contamination from the old putrescible waste dumping site. These results are monitored by Councils Environmental Health Officers and the Department of Environment and Conservation.

### **FOOD PREMISES**

Due to the employment of the new Environmental Health Officer in 2009 a more comprehensive environmental health service is being offered by the Shire and a noticeable raising of standards in all matters relating to environmental health have been achieved.

All the Food Premises were inspected throughout the year at regular intervals on a risk assessment basis and, where required, work requests were issued for premises to be brought into compliance with the new Food Standards Code. All food premises are now registered under the new Food Act.

A noticeable improvement in the overall standard of the premises, food handling, storage and preparation of food in the food premises has been observed and pressure will continue to keep the standard improving.

The new Minimum Requirements for Temporary Food Stall requirements have been implemented and other than the initial murmurings they have been accepted very well and the most recent temporary food stalls complied with the requirements

Follow up inspections will be carried out with a more regular programme to ensure premises continue with the required works and maintain a high standard of cleanliness, hygiene and work practices.

### **NOISE COMPLAINTS**

There was several noise complaints received in Northampton. These related to truck start ups and movements in areas adjoining residences and music from stereos and car radios. These are currently under investigation and the relevant action being taken, where necessary.

## **BUILDING CONTROL**

100 Building Licences and 5 demolition licences were issued during the year 1/7/11 to 30/6/12 at a total value of \$6,801,192.00.

General Statistics, for the 2011/2012 financial year and of previous years are provided in the tables at the end of this report. There has been a significant drop in the number of building application approvals, the lowest number of approvals in ten years, with no significant buildings constructed over the last financial year.

## **COUNCIL'S BUILDINGS**

An inspection of all Council's building assets has been undertaken and maintenance undertaken where necessary, subject to budget parameters and financial allocations. The general standard of Councils' building assets has improved due to regular maintenance and this work will be continued to further enhance the maintenance of the assets.

A five year maintenance programme will be implemented to enable a more efficient and cost effective maintenance programme to be carried out and to assist with setting annual budgets.

## **CARAVAN PARKS AND CAMPING GROUNDS.**

Inspections of these facilities are undertaken at regular intervals. Notices with regard to the upgrading of facilities and caravans according to the requirements of the Caravan and Camping Grounds Act and Regulations were issued where required and further follow up inspections have been carried out. Most caravan parks have completed their RCD and hard wired smoke alarm upgrade and other requirements, while some may require further incentive to comply.



Zuytdorp Memorial

| KALBARRI              | 2000/2001 |                    | 2001/2002 |                    | 2002/2003  |                    | 2003/2004 |                    |
|-----------------------|-----------|--------------------|-----------|--------------------|------------|--------------------|-----------|--------------------|
|                       | No        | Value              | No        | Value              | No         | Value              | No        | Value              |
| Houses                | 6         | \$ 938,000         | 15        | \$2,613,784        | 37         | \$5,210,094        | 23        | \$3,458,895        |
| Additions/Alterations | 19        | \$ 265,050         | 38        | \$ 494,078         | 20         | \$ 124,007         | 33        | \$ 476,842         |
| Outbuildings          | 16        | \$ 131,426         | 16        | \$ 104,632         | 32         | \$ 243,848         | 32        | \$ 221,250         |
| Comm./Ind./Public     | 6         | \$ 67,390          | 8         | \$ 546,500         | 10         | \$ 474,500         | 5         | \$ 569,500         |
| Demolitions           | 0         |                    | 0         |                    | 2          |                    | 1         |                    |
| <b>TOTALS</b>         | <b>47</b> | <b>\$1,401,866</b> | <b>77</b> | <b>\$3,759,071</b> | <b>101</b> | <b>\$6,052,449</b> | <b>94</b> | <b>\$4,726,487</b> |

| KALBARRI              | 2008/2009 |                    | 2009/2010 |                     | 2010/2011 |                     | 2011/2012 |                     |
|-----------------------|-----------|--------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|
|                       | No        | Value              | No        | Value               | No        | Value               | No        | Value               |
| Houses                | 17        | \$4,078,110        | 14        | \$ 4,521,260        | 9         | \$ 2,084,072        | 5         | \$ 2,063,706        |
| Additions/Alterations | 22        | \$1,122,629        | 30        | \$ 866,961          | 22        | \$ 1,022,462        | 21        | \$ 646,660          |
| Outbuildings          | 28        | \$400,466          | 25        | \$ 457,878          | 17        | \$ 192,995          | 16        | \$ 503,030          |
| Comm./Ind./Public     | 2         | 57,000             | 11        | \$ 3,198,392        | 2         | \$ 82,500           | 1         | \$ 200,000          |
| Demolitions           | 1         |                    | 1         |                     | 1         |                     | 3         |                     |
| <b>TOTALS</b>         | <b>70</b> | <b>\$5,658,205</b> | <b>81</b> | <b>\$ 9,044,491</b> | <b>51</b> | <b>\$ 3,382,029</b> | <b>46</b> | <b>\$ 3,413,396</b> |

| NORTHAMPTON           | 2000/2001 |                   | 2001/2002 |                    | 2002/2003 |                   | 2003/2004 |                   |
|-----------------------|-----------|-------------------|-----------|--------------------|-----------|-------------------|-----------|-------------------|
|                       | No        | Value             | No        | Value              | No        | Value             | No        | Value             |
| Houses                | 4         | \$ 546,989        | 5         | \$ 724,306         | 5         | \$ 230,290        | 4         | \$ 322,769        |
| Additions/Alterations | 6         | \$ 25,620         | 13        | \$ 86,210          | 10        | \$ 47,258         | 6         | \$ 59,500         |
| Outbuildings          | 9         | \$ 42,588         | 14        | \$ 140,097         | 7         | \$ 45,400         | 13        | \$ 98,620         |
| Comm/Ind/Public       | 2         | \$ 221,500        | 2         | \$3,201,695        | 2         | \$ 53,500         |           |                   |
| Demolitions           |           |                   | 1         |                    | 1         |                   | 1         |                   |
| <b>TOTALS</b>         | <b>21</b> | <b>\$ 836,697</b> | <b>35</b> | <b>\$4,148,308</b> | <b>25</b> | <b>\$ 376,448</b> | <b>24</b> | <b>\$ 480,889</b> |

| KALBARRI              | 2004/2005 |                    | 2005/2006 |                     | 2006/2007  |                   | 2007/2008  |                   |
|-----------------------|-----------|--------------------|-----------|---------------------|------------|-------------------|------------|-------------------|
|                       | No        | Value              | No        | Value               | No         | Value             | No         | Value             |
| Houses                | 18        | \$4,603,811        | 22        | \$ 4,159,908        | 38         | 9,558,244         | 28         | 8,521,334         |
| Additions/Alterations | 7         | \$ 98,500          | 16        | \$ 162,855          | 31         | 511,142           | 31         | 531,515           |
| Outbuildings          | 44        | \$ 746,518         | 50        | \$ 427,594          | 48         | 930,783           | 36         | 741,719           |
| Comm./Ind./Public     | 2         | \$ 46,500          | 3         | \$ 173,440          | 3          | 10,006,500        | 7          | 4,107,236         |
| Demolitions           | 1         |                    | 3         |                     | 3          |                   | 5          | 500               |
| <b>TOTALS</b>         | <b>72</b> | <b>\$5,495,329</b> | <b>94</b> | <b>\$ 4,923,797</b> | <b>123</b> | <b>21,006,669</b> | <b>107</b> | <b>13,902,304</b> |

| NORTHAMPTON           | 2004/2005 |                    | 2005/2006 |                     | 2006/2007 |                  | 2007/2008 |                  |
|-----------------------|-----------|--------------------|-----------|---------------------|-----------|------------------|-----------|------------------|
|                       | No        | Value              | No        | Value               | No        | Value            | No        | Value            |
| Houses                | 11        | \$1,292,092        | 11        | \$ 934,259          | 12        | 1,800,018        | 5         | 1,142,855        |
| Additions/Alterations | 7         | \$ 94,071          | 8         | \$ 61,073           | 17        | 133,517          | 21        | 148,845          |
| Outbuildings          | 20        | \$ 210,137         | 19        | \$ 244,595          | 30        | 307,502          | 15        | 240,065          |
| Comm/Ind/Public       | 2         | \$ 408,066         |           |                     | 1         | 40,000           | 1         | 824421           |
| Demolitions           |           |                    |           |                     |           |                  | 1         | 100              |
| <b>TOTALS</b>         | <b>40</b> | <b>\$2,004,366</b> | <b>38</b> | <b>\$ 1,239,927</b> | <b>60</b> | <b>2,291,037</b> | <b>43</b> | <b>2,356,286</b> |

| NORTHAMPTON           | 2008/2009 |             | 2009/2010 |              | 2010/2011 |            | 2011/2012 |            |
|-----------------------|-----------|-------------|-----------|--------------|-----------|------------|-----------|------------|
|                       | No        | Value       | No        | Value        | No        | Value      | No        | Value      |
| Houses                | 5         | \$1,009,442 | 9         | \$ 2,213,204 | 5         | \$ 965,251 | 3         | \$ 380,000 |
| Additions/Alterations | 5         | \$85,500    | 15        | \$ 515,104   | 6         | \$ 42,261  | 7         | \$ 189,636 |

|                   |           |                    |           |                     |           |                     |           |                     |
|-------------------|-----------|--------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|
| Outbuildings      | 21        | \$250,676          | 15        | \$ 332,027          | 16        | \$ 262,096          | 16        | \$ 469,933          |
| Comm./Ind./Public | 3         | \$401,516          | 4         | \$ 3,357,350        | 2         | \$1,808,000         |           |                     |
| Demolitions       | 0         |                    | 0         |                     |           |                     |           |                     |
| <b>TOTALS</b>     | <b>34</b> | <b>\$1,747,134</b> | <b>43</b> | <b>\$ 6,417,766</b> | <b>29</b> | <b>\$ 3,077,608</b> | <b>26</b> | <b>\$ 1,030,569</b> |

| <b>HORROCKS</b>       | 2000/2001 |                   | 2001/2002 |                  | 2002/2003 |                   | 2003/2004 |                   |
|-----------------------|-----------|-------------------|-----------|------------------|-----------|-------------------|-----------|-------------------|
|                       | No        | Value             | No        | Value            | No        | Value             | No        | Value             |
| Houses                | 1         | \$ 30,000         | 0         |                  | 2         | \$ 258,000        | 2         | \$ 216,660        |
| Additions/Alterations | 9         | \$ 53,707         | 7         | \$ 80,293        | 4         | \$ 7,200          | 8         | \$ 36,200         |
| Outbuildings          | 5         | \$ 44,550         | 2         | \$ 12,981        | 11        | \$ 137,452        |           | \$ 40,480         |
| Comm./Ind./Public     | 2         | \$ 27,500         | 0         |                  | 0         |                   | 1         | \$ 203,763        |
| Demolitions           | 0         |                   | 0         |                  | 0         |                   |           |                   |
| <b>TOTALS</b>         | <b>17</b> | <b>\$ 155,757</b> | <b>9</b>  | <b>\$ 93,274</b> | <b>17</b> | <b>\$ 402,652</b> | <b>11</b> | <b>\$ 497,103</b> |

| <b>HORROCKS</b>       | 2004/2005 |                   | 2005/2006 |                   | 2006/2007 |                | 2007/2008 |                |
|-----------------------|-----------|-------------------|-----------|-------------------|-----------|----------------|-----------|----------------|
|                       | No        | Value             | No        | Value             | No        | Value          | No        | Value          |
| Houses                | 2         | \$ 90,000         | 3         | \$ 315,000        | 1         | 400,000        | 1         | 280,000        |
| Additions/Alterations | 2         | \$ 9,000          | 4         | \$ 26,558         | 5         | 48425          | 7         | 73,700         |
| Outbuildings          | 3         | \$ 16,000         | 7         | \$ 31,644         | 12        | 174,397        | 7         | 81500          |
| Comm./Ind./Public     |           |                   |           |                   |           |                |           |                |
| Demolitions           |           |                   |           |                   |           |                | 1         | 100            |
| <b>TOTALS</b>         | <b>7</b>  | <b>\$ 115,000</b> | <b>14</b> | <b>\$ 373,202</b> | <b>18</b> | <b>622,822</b> | <b>16</b> | <b>435,300</b> |

| <b>HORROCKS</b>       | 2008/2009 |             | 2009/2010 |            | 2010/2011 |            | 2011/2012 |              |
|-----------------------|-----------|-------------|-----------|------------|-----------|------------|-----------|--------------|
|                       | No        | Value       | No        | Value      | No        | Value      | No        | Value        |
| Houses                | 4         | \$1,268,407 | 3         | \$ 873,981 | 2         | \$ 794,897 | 3         | \$ 1,140,056 |
| Additions/Alterations | 4         | 72,000\$    | 5         | \$ 42,500  | 7         | \$ 355,100 | 5         | \$ 56,800    |
| Outbuildings          | 10        | \$162,800   | 3         | \$ 77,659  | 5         | \$ 288,500 | 7         | \$ 108,365   |

|                   |           |                    |           |                   |           |                    |           |                     |
|-------------------|-----------|--------------------|-----------|-------------------|-----------|--------------------|-----------|---------------------|
| Comm./Ind./Public | 1         | \$160,000          | 0         |                   |           |                    |           |                     |
| Demolitions       | 0         |                    | 0         |                   |           |                    |           |                     |
| <b>TOTALS</b>     | <b>19</b> | <b>\$1,663,207</b> | <b>11</b> | <b>\$ 994,140</b> | <b>14</b> | <b>\$1,388,497</b> | <b>15</b> | <b>\$ 1,305,221</b> |

| <b>OTHER LOCALITIES</b> | 2000/2001 |                    | 2001/2002 |                   | 2002/2003 |                    | 2003/2004 |                    |
|-------------------------|-----------|--------------------|-----------|-------------------|-----------|--------------------|-----------|--------------------|
|                         | No        | Value              | No        | Value             | No        | Value              | No        | Value              |
| Houses                  | 9         | \$ 877,896         | 4         | \$ 417,919        | 7         | \$1,658,120        | 10        | \$1,241,660        |
| Additions/Alterations   | 5         | \$ 93,707          | 6         | \$ 307,636        | 4         | \$ 227,680         | 9         | \$ 98,900          |
| Outbuildings            | 6         | \$ 115,924         | 12        | \$ 214,166        | 12        | \$ 176,320         | 20        | \$ 524,830         |
| Comm./Ind./Public       | 15        | \$ 555,723         | 0         |                   | 2         | \$ 146,038         | 8         | \$ 278,180         |
| Demolitions             | 0         |                    | 1         |                   | 2         |                    |           |                    |
| <b>TOTALS</b>           | <b>35</b> | <b>\$1,643,250</b> | <b>23</b> | <b>\$ 939,721</b> | <b>27</b> | <b>\$2,208,158</b> | <b>47</b> | <b>\$2,143,570</b> |

| <b>OTHER LOCALITIES</b> | 2004/2005 |                  | 2005/2006 |                  | 2006/2007 |                  | 2007/2008 |                    |
|-------------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|--------------------|
|                         | No        | Value            | No        | Value            | No        | Value            | No        | Value              |
| Houses                  | 3         | \$116,682        | 3         | \$394,628        | 2         | \$330,000        | 6         | \$1,101,539        |
| Additions/Alterations   | 4         | \$22,569         | 4         | \$61,249         | 8         | \$61,200         | 10        | \$89,893           |
| Outbuildings            | 12        | \$252,603        | 12        | \$280,680        | 8         | \$94,806         | 11        | \$247,040          |
| Comm./Ind./Public       |           |                  | 2         | \$44,000         | 1         | \$319,000        | 2         | \$52,200           |
| Demolitions             | 19        | \$391,854        | 1         |                  |           |                  | 2         | \$200              |
| <b>TOTALS</b>           | <b>38</b> | <b>\$783,708</b> | <b>22</b> | <b>\$780,557</b> | <b>19</b> | <b>\$805,006</b> | <b>31</b> | <b>\$1,490,872</b> |

| <b>OTHER LOCALITIES</b> | 2008/2009 |          | 2009/2010 |            | 2010/2011 |            | 2011/2012 |            |
|-------------------------|-----------|----------|-----------|------------|-----------|------------|-----------|------------|
|                         | No        | Value    | No        | Value      | No        | Value      | No        | Value      |
| Houses                  | 0         |          | 2         | \$ 317,864 | 3         | \$ 405,036 | 2         | \$ 235,000 |
| Additions/Alterations   | 0         |          | 3         | \$ 32,500  |           |            | 7         | \$ 184,700 |
| Outbuildings            | 2         | \$93,160 | 9         | \$ 533,392 | 10        | \$ 287,800 | 7         | \$ 623,306 |

|                   |   |          |    |              |    |            |   |              |
|-------------------|---|----------|----|--------------|----|------------|---|--------------|
| Comm./Ind./Public | 0 |          | 2  | \$ 745,000   |    |            |   |              |
| Demolitions       | 0 |          | 0  |              |    |            | 2 |              |
| <b>TOTALS</b>     | 2 | \$93,160 | 16 | \$ 1,628,756 | 13 | \$ 692,836 |   | \$ 1,043,006 |

| <u>WHOLE OF SHIRE</u> | 2000/2001 |             | 2001/2002 |             | 2002/2003 |             | 2003/2004 |             |
|-----------------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|
|                       | No        | Value       | No        | Value       | No        | Value       | No        | Value       |
| <b>TOTALS</b>         | 120       | \$4,037,570 | 144       | \$8,940,374 | 170       | \$9,039,707 | 176       | \$7,848,049 |

| <u>WHOLE OF SHIRE</u> | 2004/2005 |             | 2005/2006 |             | 2006/2007 |              | 2007/2008 |              |
|-----------------------|-----------|-------------|-----------|-------------|-----------|--------------|-----------|--------------|
|                       | No        | Value       | No        | Value       | No        | Value        | No        | Value        |
| <b>TOTALS</b>         | 138       | \$8,006,549 | 168       | \$7,317,483 | 220       | \$24,725,534 | 197       | \$18,184,762 |

| <u>WHOLE OF SHIRE</u> | 2008/2009 |             | 2009/2010 |              | 2010/2011 |             | 2011/2012 |             |
|-----------------------|-----------|-------------|-----------|--------------|-----------|-------------|-----------|-------------|
|                       | No        | Value       | No        | Value        | No        | Value       | No        | Value       |
| <b>TOTALS</b>         | 125       | \$9,161,706 | 151       | \$18,085,153 | 107       | \$8,540,970 | 105       | \$6,801,192 |



## **PLANNING**

### **HAYLEY WILLIAMS - PRINCIPAL PLANNER**

The following summarises the major planning activities undertaken or initiated within the 2011/2012 financial year.

#### ***Coastal Management Strategy***

Since its final adoption, the Strategy has been used to guide planning decisions in coastal areas of the Shire.

During the 2011/2012 financial year, the Shire of Northampton has continued to progress the agreements / leases with the identified cottage owners. During the 2011/2012 financial year, a Local Planning Policy was also formulated to help guide Shire Officers and Council in their decision making regarding additions/renovations to existing cottages. This Local Planning Policy has received strong support from the owners of the cottages.

It is noted that the implementation of the recommendations and management measures outlined in the Strategy will involve ongoing work and expenditure over many years and will primarily be the responsibility of the Shire of Northampton. However, it is also intended that some assistance will be available through external sources of funding and by involvement of the community.

#### ***Kalbarri Townsite Strategy***

The Kalbarri Townsite Strategy was granted final endorsement based upon the requested modifications by the Western Australian Planning Commission on 13 February, 2012.

This document has now been fully adopted and is being used to guide Council decision making on a range of strategic and statutory town planning matters. This will now lead to a full scale review of *Town Planning Scheme No. 9 – Kalbarri Townsite* during the 2012/2013 financial year.

#### ***Horrocks Beach Expansion Strategy***

During the 2011/12 financial year work was undertaken to present to Council three (3) growth option scenarios for the Horrocks Expansion Area (HES). Council also considered all of the submissions received from landowners and the community at their meeting held on 17 February 2012. Council endorsed the Horrocks Expansion Strategy and it was resolved to pursue formal adoption of this key strategic document by the Western Australian Planning Commission so that it has the status of a Local Planning Strategy as defined by the Planning and Development Act 2005.

Meetings were held with Officers from the Department of Planning regarding the progression of this Strategy through this process, which will now occur in the 2012/13 financial year.

## **Shire of Northampton Local Planning Scheme No. 10**

The Shire of Northampton Local Planning Scheme No. 10 was granted final approval by the Western Australian Planning Commission on 13 December 2011.

This statutory document is now guiding the planning decisions of Council for the Northampton District. There has also been one Scheme Amendment lodged to amend the zoning during the 2011/12 financial year.

### **Subdivision Applications and Subdivision Clearances**

Subdivision activity in the Shire has slowed down during the 2011/12 financial year. The number of clearances has reduced whilst subdivision referrals have remained steady. Subdivision referrals during the 2011/12 financial year have generally been on a smaller scale although Stage 2 to Settlers Hill (54 lots) and a larger parcel of land adjoining Capital Hill (10 lots) were received.

| <b>Year</b> | <b>Subdivision Referrals</b> | <b>Clearances</b> | <b>Total</b> |
|-------------|------------------------------|-------------------|--------------|
| 2011/12     | 8                            | 1                 | 9            |
| 2010/11     | 8                            | 4                 | 12           |
| 2009/10     | 11                           | 9                 | 19           |
| 2009/10     | 11                           | 13                | 24           |
| 2007/08     | 12                           | 12                | 24           |
| 2006/07     | 16                           | 6                 | 22           |
| 2005/06     | 17                           | 5                 | 22           |
| 2004/05     | 10                           | 3                 | 13           |
| 2003/04     | 11                           | 5                 | 16           |

### **Applications for Planning Approval**

Applications for planning approval within the Shire have decreased slightly during the 2011/2012 financial year, although substantially down from the 2009/10 financial year. Applications have been generally smaller in nature and have included extensions to dwellings, construction of outbuildings and tourism operations.

| <b>Year</b> | <b>Council Items</b> | <b>Delegated Approvals</b> | <b>Total</b> |
|-------------|----------------------|----------------------------|--------------|
| 2011/12     | 15 ((25%))           | 46 (75%)                   | 61           |
| 2010/11     | 17 (25%)             | 51 (75%)                   | 68           |
| 2009/10     | 21 (14 %)            | 124 (86 %)                 | 145          |
| 2009/10     | 28 (24 %)            | 89 (76%)                   | 117          |
| 2007/08     | 39 (50%)             | 40 (50%)                   | 79           |
| 2006/07     | 40 (40%)             | 59 (60%)                   | 99           |
| 2005/06     | 33 (49%)             | 34 (51%)                   | 67           |
| 2004/05     | 26 (35%)             | 49 (65%)                   | 75           |
| 2003/04     | 19 (54%)             | 16 (46%)                   | 35           |

### **Scheme Amendments**

The following Scheme Amendment were adopted by Council during 2011/2012:

- Scheme Amendment No. 1 to Local Planning Scheme No. 10 – Rezoning Lot 820 Issachar Back Road, Northampton from “General Rural” to “Rural Residential; and
- Scheme Amendment No. 10 to Town Planning Scheme No. 9 -
  - Rezoning Lot 22 Grey Street, Kalbarri from ‘Special Use Zone 3’ to ‘Mixed Residential R50/60’ and ‘Additional Use – Tourist Commercial’; &

- Rezoning Lot 27 Hackney Street, Kalbarri from 'Residential R50' to 'Mixed Residential R50/60'.

It is envisaged with the final endorsement of the Shire's *Local Planning Scheme No. 10* and *Kalbarri Townsite Strategy* and the onset of major infrastructure projects such as Oakajee that the number of Scheme Amendments lodged with the Shire will increase during the 2012/2013 financial year. Whilst the Local Planning Strategy facilitates the future subdivision potential of numerous landholdings, the new Local Planning Scheme needs to be in place to facilitate a range of new zones.

### **Conclusion**

In summary, the above illustrates the steady planning activity taking place within the Shire of Northampton during the 2011/2012 financial year. The aforementioned also illustrates the increasing role of the Local Authority in terms of strategic planning.

The Shire of Northampton has been the major instigator of large strategic planning projects, such as the *Kalbarri Townsite Strategy* which has been well-received by the local community and serves as an example of "best practice" in regards to community engagement.

With increasing planning activity, it is paramount that strategic planning for the whole Shire be a priority so as to guide development in a sustainable manner, which will have beneficial rather than detrimental outcomes for the community.



## **NATIONAL COMPETITION POLICY - CLAUSE 7**

In accordance with the National Competition Policy - Clause 7 Statement the following relevant details are reported.

### **Principle CN.10**

Details of the application and implementation of competitive neutrality principles to the activities and functions of the Shire of Northampton.

None of Council's business activities received in excess of \$200,000 revenue per annum, therefore Council has not applied the competitive neutrality principle on National Competition Policy during the year under review.

### **Principle SR.4**

The application and implementation of structural reform principles regarding Public Monopolies to the activities and principles of the Shire of Northampton.

Council does not consider any of its activities being monopolistic and will continually review all its activities and functions to ensure the following:

- Efficient and effective utilisation of Council's resources, (ie financial, human, plant and equipment, etc) to the benefits of its electors.
- Ensure that the social ramification or alteration to any specific activity or function, are clearly identified.

Council does outsource some of its activities and has adopted the concept of resource sharing.

### **Principle LR.8**

The application and implementation of a legislative review of its Local Laws.

Council Management undertook a review in 2011/12 and there were no changes identified or recommended to Council.

## SHIRE INFORMATION

### Contact Details

|                                   |                                                                                                                                                                                                                                                                  |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Northampton Administration Centre | Phone: (08) 99341202<br>Fax: (08) 99341072<br>Address: PO Box 61<br>Northampton 6535<br>Email <a href="mailto:council@northampton.wa.gov.au">council@northampton.wa.gov.au</a><br>Web – <a href="http://www.northampton.wa.gov.au">www.northampton.wa.gov.au</a> |
| Kalbarri Administration Centre    | Phone: (08) 99371097<br>Fax: (08) 99371466                                                                                                                                                                                                                       |

All initial enquiries are to be directed to the relevant officer at the Northampton Office.

### Council Statistics

|                          |                     |
|--------------------------|---------------------|
| Distance from Perth      | 475km               |
| Area                     | 12,499 sqkm         |
| Length of Sealed Roads   | 358 km              |
| Length of Unsealed Roads | 935 km              |
| Population (permanent)   | 3,202 (2006 Census) |
| Number of Employees      | 39 (FTE)            |

### Suburbs & Localities

Northampton, Kalbarri, Horrocks Beach, Port Gregory, Binu, Ajana, Isseka.

### Boundaries

Shires of Chapman Valley, Shark Bay, City of Greater Geraldton and Murchison.

### Significant Local Events

Northampton Agricultural Show, Kalbarri Blessing of the Fleet, Northampton - Airing of the Quilts, Kalbarri Canoe & Cray Festival incorporating the Zest Fest, Purple Bra Day.

### History

Recorded history of this area dates back to 1629 with the wrecked Dutch ship Batavia and two men being marooned at the mouth of the Murchison River.

Copper was first discovered in WA at Wannernooka in 1842, with lead then being discovered in 1848.

A convict hiring station was established at Port Gregory from 1853-1856. The first railway commenced in 1874 and was completed in 1879 running from Geraldton to Northampton, later being extended to Ajana in 1913.

With the railway came the expansion of the district's mining and agriculture, more lead and copper mines were opened up, cereal crops (mainly wheat) were increasing and sheep numbers also increased.

Local Government commenced in 1871, the district then named "Mines Road District". Its boundaries being described from the north by running a line running eastward from the mouth of the Murchison River, west by the Indian Ocean, south by a line running eastward from the mouth of the Buller river, with no eastern boundary.

The first local government administration centre/office was built in 1898 in Northampton, new offices were built in 1957 and were extensively extended and modified in 1984. The Kalbarri administration centre, being the "Allen Centre", was opened in 1992.

### **Council Agenda**

The agenda for an Ordinary Meeting of the Council is available for inspection by members of the public from the commencement of business on the day having been served on the Members, at the Northampton and Kalbarri offices of the Council. The agenda is usually available on the Monday prior to Council meetings.

Persons wishing for a matter to be considered by Council are required to have their request lodged to the relevant Senior Officer on the Tuesday the week before the Council meeting.

### **Fire Control**

Don't forget all owners and occupiers need to install firebreaks on their properties before 1 October and maintain them up until the 15 February of each year.

Firebreaks in the townsites of Horrocks and Kalbarri must be to a width of at least 3 metres and lots are not to have bush pushed up then burnt at a later date. All material must be removed or slashed.

All remaining areas need to have firebreaks not less than 2 metres wide immediately inside all external boundaries of the property and also immediately surrounding all buildings on the property. Other requirements are stated on the Fire Break Notice which is issued with the rate assessments.

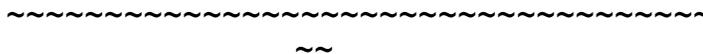
They can be installed by either raking, scraping, ploughing, cultivating, scarifying, or chemical spraying. If any of these methods are impracticable please contact the Bush Fire Control Officer, Mr Stephen Williams on (08) 99341202, your local Fire Control Officer or the Shire Office.

Burning permits are required for the period 17 September to 14 October and 16 February to 15 April of each year and burning is prohibited for the period 15 October to 15 February of each year, with the exception of small heaps of rubbish on the ground between 6pm and 11pm within a low, moderate or high fire weather warning.

All burning periods are reviewed annually and are subject to change.

### **Citizenship Ceremonies**

The Shire of Northampton conducts Citizenship ceremonies to approved applicants when required and is normally held during an ordinary meeting of Council. Application forms for citizenship are available from Post Offices and the Ministry of Immigration and Multicultural Affairs.



**SHIRE OF NORTHAMPTON**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

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SHIRE OF NORTHAMPTON  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2012

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Northampton being the annual financial report and other information for the financial year ended 30th June 2012 are in my opinion properly drawn up to present fairly the financial position of the Shire of Northampton at 30th June 2012 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 22nd day of November 2012



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Garry L. Keefe  
Chief Executive Officer

**SHIRE OF NORTHAMPTON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

|                                                   | NOTE | 2012<br>\$              | 2012<br>Budget<br>\$    | 2011<br>\$            |
|---------------------------------------------------|------|-------------------------|-------------------------|-----------------------|
| <b>Revenue</b>                                    |      |                         |                         |                       |
| Rates                                             | 22   | 3,096,958               | 3,094,743               | 2,883,137             |
| Operating Grants, Subsidies and Contributions     | 28   | 2,121,894               | 1,085,834               | 1,301,402             |
| Fees and Charges                                  | 27   | 1,255,911               | 1,196,000               | 1,197,707             |
| Interest Earnings                                 | 2(a) | 184,245                 | 170,000                 | 198,111               |
| Other Revenue                                     |      | 2,514                   | 737,976                 | 471,016               |
|                                                   |      | <u>6,661,522</u>        | <u>6,284,553</u>        | <u>6,051,373</u>      |
| <b>Expenses</b>                                   |      |                         |                         |                       |
| Employee Costs                                    |      | (2,206,930)             | (2,200,000)             | (2,002,146)           |
| Materials and Contracts                           |      | (2,415,463)             | (2,600,000)             | (2,396,822)           |
| Utility Charges                                   |      | (306,071)               | (300,000)               | (278,236)             |
| Depreciation on Non-Current Assets                | 2(a) | (1,554,508)             | (1,546,500)             | (1,447,330)           |
| Interest Expenses                                 | 2(a) | (69,560)                | (60,862)                | (66,262)              |
| Insurance Expenses                                |      | (229,154)               | (238,919)               | (203,911)             |
| Other Expenditure                                 |      | (563,393)               | (320,000)               | (404,281)             |
|                                                   |      | <u>(7,345,079)</u>      | <u>(7,266,281)</u>      | <u>(6,798,988)</u>    |
|                                                   |      | (683,557)               | (981,728)               | (747,615)             |
| <br>                                              |      |                         |                         |                       |
| Non-Operating Grants, Subsidies and Contributions | 28   | 3,197,496               | 2,681,674               | 1,104,273             |
| Profit on Asset Disposals                         | 20   | 91,433                  | 823,946                 | 88,611                |
| Loss on Asset Disposal                            | 20   | (71,207)                | (75,486)                | 0                     |
|                                                   |      | <u>2,534,165</u>        | <u>2,448,406</u>        | <u>445,269</u>        |
| <b>Net Result</b>                                 |      | <b>2,534,165</b>        | <b>2,448,406</b>        | <b>445,269</b>        |
| <br>                                              |      |                         |                         |                       |
| <b>Other Comprehensive Income</b>                 |      | 0                       | 0                       | 0                     |
| <br>                                              |      |                         |                         |                       |
| <b>Total Comprehensive Income</b>                 |      | <u><u>2,534,165</u></u> | <u><u>2,448,406</u></u> | <u><u>445,269</u></u> |

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

**SHIRE OF NORTHAMPTON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

|                                                              | NOTE | 2012<br>\$         | 2012<br>Budget<br>\$ | 2011<br>\$         |
|--------------------------------------------------------------|------|--------------------|----------------------|--------------------|
| <b>Revenue</b>                                               |      |                    |                      |                    |
| Governance                                                   |      | 29,786             | 14,100               | 118,001            |
| General Purpose Funding                                      |      | 4,889,208          | 4,181,283            | 4,252,064          |
| Law, Order, Public Safety                                    |      | 104,346            | 70,827               | 65,834             |
| Health                                                       |      | 87,703             | 39,700               | 31,688             |
| Education and Welfare                                        |      | 39,905             | 55,600               | 55,165             |
| Housing                                                      |      | 17,923             | 18,720               | 19,442             |
| Community Amenities                                          |      | 913,030            | 912,380              | 896,120            |
| Recreation and Culture                                       |      | 130,442            | 208,027              | 66,619             |
| Transport                                                    |      | 171,611            | 136,166              | 176,461            |
| Economic Services                                            |      | 89,843             | 115,836              | 100,300            |
| Other Property and Services                                  |      | 187,725            | 531,914              | 269,679            |
|                                                              | 2(a) | <u>6,661,522</u>   | <u>6,284,553</u>     | <u>6,051,373</u>   |
| <b>Expenses</b>                                              |      |                    |                      |                    |
| Governance                                                   |      | (380,372)          | (356,811)            | (559,254)          |
| General Purpose Funding                                      |      | (218,700)          | (213,190)            | (180,775)          |
| Law, Order, Public Safety                                    |      | (271,096)          | (290,103)            | (272,933)          |
| Health                                                       |      | (245,950)          | (239,941)            | (233,066)          |
| Education and Welfare                                        |      | (101,928)          | (96,905)             | (121,316)          |
| Housing                                                      |      | (128,330)          | (97,465)             | (129,486)          |
| Community Amenities                                          |      | (1,561,299)        | (1,431,724)          | (1,324,712)        |
| Recreation and Culture                                       |      | (1,469,453)        | (1,305,137)          | (1,211,275)        |
| Transport                                                    |      | (2,567,637)        | (2,444,927)          | (2,550,445)        |
| Economic Services                                            |      | (154,268)          | (198,047)            | (146,441)          |
| Other Property and Services                                  |      | (176,486)          | (531,169)            | (3,023)            |
|                                                              | 2(a) | <u>(7,275,519)</u> | <u>(7,205,419)</u>   | <u>(6,732,726)</u> |
| <b>Finance Costs</b>                                         |      |                    |                      |                    |
| Governance                                                   |      | 0                  | 0                    | (1,593)            |
| Community Amenities                                          |      | 0                  | 0                    | (585)              |
| Recreation and Culture                                       |      | (11,194)           | (12,219)             | (15,792)           |
| Transport                                                    |      | (37,801)           | (38,741)             | (48,292)           |
| Other Property and Services                                  |      | (20,565)           | (9,902)              | -                  |
|                                                              | 2(a) | <u>(69,560)</u>    | <u>(60,862)</u>      | <u>(66,262)</u>    |
| <b>Non-Operating Grants, Subsidies<br/>and Contributions</b> |      |                    |                      |                    |
| Law, Order, Public Safety                                    |      | 67,320             | 0                    | 22,353             |
| Education & Welfare                                          |      | (852)              | 0                    | 30,000             |
| Recreation & Culture                                         |      | 1,643,816          | 1,505,405            | 831,193            |
| Transport                                                    |      | 1,487,212          | 1,176,269            | 220,727            |
|                                                              |      | <u>3,197,496</u>   | <u>2,681,674</u>     | <u>1,104,273</u>   |
| <b>Profit/(Loss) on Disposal of Assets</b>                   |      |                    |                      |                    |
| Governance                                                   |      | 12,521             | 1,612                | 1,611              |
| Health                                                       |      | 0                  | 0                    | 10,000             |
| Community Amenities                                          |      | (8,044)            | (3,587)              | 0                  |
| Transport                                                    |      | 13,033             | (17,626)             | 77,000             |
| Economic Services                                            |      | 13,263             | 9,561                | 0                  |
| Other Property and Services                                  |      | (10,547)           | 758,500              | 0                  |
|                                                              |      | <u>20,226</u>      | <u>748,460</u>       | <u>88,611</u>      |
| <b>Net Result</b>                                            |      | <u>2,534,165</u>   | <u>2,448,406</u>     | <u>445,269</u>     |
| <b>Other Comprehensive Income</b>                            |      | 0                  | 0                    | 0                  |
| <b>Total Comprehensive Income</b>                            |      | <u>2,534,165</u>   | <u>2,448,406</u>     | <u>445,269</u>     |

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

**SHIRE OF NORTHAMPTON  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2012**

|                                      | NOTE | 2012<br>\$        | 2011<br>\$        |
|--------------------------------------|------|-------------------|-------------------|
| <b>CURRENT ASSETS</b>                |      |                   |                   |
| Cash and Cash Equivalents            | 3    | 1,711,469         | 1,531,646         |
| Trade and Other Receivables          | 4    | 669,882           | 1,349,069         |
| Inventories                          | 5    | 473,322           | 457,166           |
| <b>TOTAL CURRENT ASSETS</b>          |      | <u>2,854,673</u>  | <u>3,337,881</u>  |
| <b>NON-CURRENT ASSETS</b>            |      |                   |                   |
| Other Receivables                    | 4    | 481,890           | 65,081            |
| Property, Plant and Equipment        | 6    | 15,645,872        | 13,817,425        |
| Infrastructure                       | 7    | 60,103,440        | 59,374,037        |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <u>76,231,202</u> | <u>73,256,543</u> |
| <b>TOTAL ASSETS</b>                  |      | <u>79,085,875</u> | <u>76,594,424</u> |
| <b>CURRENT LIABILITIES</b>           |      |                   |                   |
| Trade and Other Payables             | 8    | 1,075,017         | 1,486,785         |
| Long Term Borrowings                 | 9    | 155,199           | 157,455           |
| Provisions                           | 10   | 443,836           | 344,145           |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <u>1,674,052</u>  | <u>1,988,385</u>  |
| <b>NON-CURRENT LIABILITIES</b>       |      |                   |                   |
| Long Term Borrowings                 | 9    | 959,970           | 711,296           |
| Provisions                           | 10   | 38,545            | 15,600            |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <u>998,515</u>    | <u>726,896</u>    |
| <b>TOTAL LIABILITIES</b>             |      | <u>2,672,567</u>  | <u>2,715,281</u>  |
| <b>NET ASSETS</b>                    |      | <u>76,413,308</u> | <u>73,879,143</u> |
| <b>EQUITY</b>                        |      |                   |                   |
| Retained Surplus                     |      | 75,105,822        | 72,712,844        |
| Reserves - Cash Backed               | 11   | 1,307,486         | 1,166,299         |
| Reserves - Asset Revaluation         | 12   | 0                 | 0                 |
| <b>TOTAL EQUITY</b>                  |      | <u>76,413,308</u> | <u>73,879,143</u> |

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

SHIRE OF NORTHAMPTON  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2012

|                                   | NOTE | RETAINED<br>SURPLUS<br>\$ | RESERVES<br>CASH<br>BACKED<br>\$ | ASSET<br>REVALUATION<br>RESERVE<br>\$ | TOTAL<br>EQUITY<br>\$ |
|-----------------------------------|------|---------------------------|----------------------------------|---------------------------------------|-----------------------|
| Balance as at 1 July 2010         |      | 47,186,749                | 1,604,291                        | 24,642,834                            | 73,433,874            |
| Correction of Errors              | 12   | 24,642,834                | 0                                | (24,642,834)                          | 0                     |
| Restated Balance                  |      | 71,829,583                | 1,604,291                        | 0                                     | 73,433,874            |
| Net Result                        |      | 445,269                   | 0                                | 0                                     | 445,269               |
| Total Other Comprehensive Income  |      | 0                         | 0                                | 0                                     | 0                     |
| Reserve Transfers                 |      | 437,992                   | (437,992)                        | 0                                     | 0                     |
| <b>Balance as at 30 June 2011</b> |      | <b>72,712,844</b>         | <b>1,166,299</b>                 | <b>0</b>                              | <b>73,879,143</b>     |
| Net Result                        |      | 2,534,165                 | 0                                | 0                                     | 2,534,165             |
| Reserve Transfers                 |      | (141,187)                 | 141,187                          | 0                                     | 0                     |
| <b>Balance as at 30 June 2012</b> |      | <b>75,105,822</b>         | <b>1,307,486</b>                 | <b>0</b>                              | <b>76,413,308</b>     |

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

**SHIRE OF NORTHAMPTON  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2012**

|                                                            | NOTE  | 2012<br>\$         | 2012<br>Budget<br>\$ | 2011<br>\$         |
|------------------------------------------------------------|-------|--------------------|----------------------|--------------------|
| <b>Cash Flows From Operating Activities</b>                |       |                    |                      |                    |
| <b>Receipts</b>                                            |       |                    |                      |                    |
| Rates                                                      |       | 3,166,340          | 3,094,743            | 2,729,299          |
| Operating Grants, Subsidies and Contributions              |       | 2,732,129          | 1,085,834            | 684,400            |
| Fees and Charges                                           |       | 1,249,176          | 1,196,000            | 1,197,707          |
| Interest Earnings                                          |       | 190,980            | 170,000              | 198,111            |
| Goods and Services Tax                                     |       | 336,509            | 0                    | 456,348            |
| Other Revenue                                              |       | 2,514              | 737,976              | 471,016            |
|                                                            |       | <u>7,677,648</u>   | <u>6,284,553</u>     | <u>5,736,881</u>   |
| <b>Payments</b>                                            |       |                    |                      |                    |
| Employee Costs                                             |       | (2,074,747)        | (2,200,000)          | (1,976,247)        |
| Materials and Contracts                                    |       | (2,908,637)        | (2,600,000)          | (2,009,922)        |
| Utility Charges                                            |       | (306,071)          | (300,000)            | (278,236)          |
| Insurance Expenses                                         |       | (229,154)          | (238,919)            | (203,911)          |
| Interest expenses                                          |       | (72,290)           | (60,862)             | (71,111)           |
| Goods and Services Tax                                     |       | (265,527)          | 0                    | (441,948)          |
| Other Expenditure                                          |       | (444,109)          | (320,000)            | (434,280)          |
|                                                            |       | <u>(6,300,535)</u> | <u>(5,719,781)</u>   | <u>(5,415,655)</u> |
| <b>Net Cash Provided By (Used In) Operating Activities</b> | 13(b) | 1,377,113          | 564,772              | 321,226            |
| <b>Cash Flows from Investing Activities</b>                |       |                    |                      |                    |
| Payments for Development of Land Held for Resale           |       | (215,107)          | (210,879)            | (399,481)          |
| Payments for Purchase of Property, Plant & Equipment       |       | (2,690,288)        | (3,713,464)          | (2,314,427)        |
| Payments for Construction of Infrastructure                |       | (1,663,942)        | (2,183,455)          | (1,888,296)        |
| Non-Operating Grants, Subsidies and Contributions          |       | 3,197,496          | 2,681,674            | 1,104,273          |
| Proceeds from Sale of Plant & Equipment                    |       | 272,645            | 257,000              | 110,181            |
| Proceeds from Sale of Developed Land                       |       | 72,727             | 800,000              | 0                  |
| <b>Net Cash Provided By (Used In) Investing Activities</b> |       | (1,026,469)        | (2,369,124)          | (3,387,750)        |
| <b>Cash Flows from Financing Activities</b>                |       |                    |                      |                    |
| Repayment of Debentures                                    |       | (175,649)          | (207,201)            | (246,335)          |
| Repayment of Finance Leases                                |       | 0                  | 0                    | 0                  |
| Advances to / Proceeds from Self Supporting Loans          |       | (417,239)          | 36,380               | 4,605              |
| Proceeds from New Debentures                               |       | 422,067            | 810,000              | 0                  |
| <b>Net Cash Provided By (Used In) Financing Activities</b> |       | (170,821)          | 639,179              | (241,730)          |
| <b>Net Increase (Decrease) in Cash Held</b>                |       | 179,823            | (1,165,173)          | (3,308,254)        |
| Cash at Beginning of Year                                  |       | 1,531,646          | 1,767,613            | 4,839,900          |
| <b>Cash and Cash Equivalents at the End of the Year</b>    | 13(a) | <u>1,711,469</u>   | <u>602,440</u>       | <u>1,531,646</u>   |

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

**SHIRE OF NORTHAMPTON  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2012**

|                                                    | NOTE         | 2012<br>Actual<br>\$      | 2012<br>Budget<br>\$      | 2011<br>Actual<br>\$      |
|----------------------------------------------------|--------------|---------------------------|---------------------------|---------------------------|
| <b>Revenue</b>                                     |              |                           |                           |                           |
| Governance                                         |              | 42,307                    | 15,712                    | 119,612                   |
| General Purpose Funding                            |              | 1,792,251                 | 1,086,540                 | 1,368,927                 |
| Law, Order, Public Safety                          |              | 171,666                   | 70,827                    | 88,187                    |
| Health                                             |              | 73,129                    | 39,700                    | 41,688                    |
| Education and Welfare                              |              | 53,627                    | 55,600                    | 85,165                    |
| Housing                                            |              | 17,923                    | 18,720                    | 19,442                    |
| Community Amenities                                |              | 913,030                   | 912,380                   | 896,120                   |
| Recreation and Culture                             |              | 1,774,258                 | 1,713,432                 | 897,812                   |
| Transport                                          |              | 1,653,265                 | 1,312,435                 | 474,188                   |
| Economic Services                                  |              | 103,106                   | 125,397                   | 100,300                   |
| Other Property and Services                        |              | 187,725                   | 1,290,414                 | 269,679                   |
|                                                    |              | <u>6,782,287</u>          | <u>6,641,157</u>          | <u>4,361,120</u>          |
| <b>Expenses</b>                                    |              |                           |                           |                           |
| Governance                                         |              | (380,373)                 | (356,811)                 | (560,847)                 |
| General Purpose Funding                            |              | (218,699)                 | (213,190)                 | (180,775)                 |
| Law, Order, Public Safety                          |              | (271,096)                 | (290,103)                 | (272,933)                 |
| Health                                             |              | (245,951)                 | (239,941)                 | (233,066)                 |
| Education and Welfare                              |              | (101,928)                 | (96,905)                  | (121,316)                 |
| Housing                                            |              | (128,330)                 | (97,465)                  | (129,486)                 |
| Community Amenities                                |              | (1,569,343)               | (1,435,311)               | (1,325,297)               |
| Recreation and Culture                             |              | (1,480,647)               | (1,317,356)               | (1,227,067)               |
| Transport                                          |              | (2,586,847)               | (2,501,294)               | (2,598,737)               |
| Economic Services                                  |              | (154,268)                 | (198,047)                 | (146,441)                 |
| Other Property and Services                        |              | (207,598)                 | (541,071)                 | (3,023)                   |
|                                                    |              | <u>(7,345,080)</u>        | <u>(7,287,494)</u>        | <u>(6,798,988)</u>        |
| <b>Net Result Excluding Rates</b>                  |              | (562,793)                 | (646,337)                 | (2,437,868)               |
| <b>Adjustments for Cash Budget Requirements:</b>   |              |                           |                           |                           |
| <b>Non-Cash Expenditure and Revenue</b>            |              |                           |                           |                           |
| (Profit)/Loss on Asset Disposals                   | 20           | (20,226)                  | (748,460)                 | (88,611)                  |
| Loss on revaluation of Land Held for Resale        |              | 119,285                   | 0                         | 0                         |
| Movement in Deferred Pensioner Rates (Non-Current) |              | (6,061)                   | 0                         | (4,921)                   |
| Movement in Employee Benefit Provisions            |              | 122,636                   | 0                         | 10,984                    |
| Depreciation and Amortisation on Assets            | 2(a)         | 1,554,508                 | 1,546,500                 | 1,447,330                 |
| Movement in Other Balances                         |              | 0                         | (131,651)                 | (91,034)                  |
| <b>Capital Expenditure and Revenue</b>             |              |                           |                           |                           |
| Purchase Land Held for Resale                      |              | (215,107)                 | (210,789)                 | (399,481)                 |
| Purchase Land and Buildings                        |              | (1,445,463)               | (2,532,079)               | (1,964,488)               |
| Purchase Infrastructure Assets - Roads             |              | (1,490,005)               | (2,097,381)               | (1,585,984)               |
| Purchase Infrastructure Assets - Footpaths         |              | (142,902)                 | 0                         | (60,110)                  |
| Purchase Infrastructure Assets - Parks             |              | (31,035)                  | (86,074)                  | (242,202)                 |
| Purchase Plant and Equipment                       |              | (1,127,852)               | (1,088,085)               | (305,758)                 |
| Purchase Furniture and Equipment                   |              | (116,973)                 | (93,300)                  | (44,181)                  |
| Proceeds from Disposal of Assets                   | 20           | 345,372                   | 1,057,000                 | 110,181                   |
| Repayment of Debentures                            | 21(a)        | (175,649)                 | (207,201)                 | (246,335)                 |
| Proceeds from New Debentures                       | 21           | 422,067                   | 810,000                   | 0                         |
| Self-Supporting Loan Principal Income              |              | (417,239)                 | 36,380                    | 4,605                     |
| Transfers to Reserves (Restricted Assets)          | 11           | (437,637)                 | (103,293)                 | (214,363)                 |
| Transfers from Reserves (Restricted Assets)        | 11           | 296,450                   | 1,195,787                 | 652,355                   |
| ADD Estimated Surplus/(Deficit) July 1 B/Fwd       | 22(b)        | 228,885                   | 204,240                   | 2,607,204                 |
| LESS Estimated Surplus/(Deficit) June 30 C/Fwd     | 22(b)        | (2,781)                   | 0                         | 30,460                    |
| <b>Amount Required to be Raised from Rates</b>     | <b>22(a)</b> | <b><u>(3,096,958)</u></b> | <b><u>(3,094,743)</u></b> | <b><u>(2,883,137)</u></b> |

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

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Preparation**

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

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

**Critical Accounting Estimates**

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

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

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

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

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

**(c) Goods and Services Tax**

Revenues, expenses and assets capitalised are stated net of any GST recoverable.

Receivables and payables in the statement of financial position are stated inclusive of applicable GST. The net amount of GST recoverable from, or payable to the ATO, is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

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

**(d) Cash and Cash Equivalents**

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

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

**(e) Trade and Other Receivables**

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

**(f) Inventories**

***General***

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

***Land Held for Resale***

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

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing an unconditional 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**

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

***Initial Recognition***

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

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

**(g) Fixed Assets (Continued)**

***Revaluation***

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

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases in the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised as profit or loss.

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

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

***Land under Roads***

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

Effective as at 1 July 2008, 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 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

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

***Depreciation of Non-Current Assets***

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

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

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2012**

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

**(g) Fixed Assets (Continued)**

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

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

|                                                                                                                                                     |                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| Buildings                                                                                                                                           | 50 to 100 years                         |
| Furniture and Equipment                                                                                                                             | 10 years                                |
| Plant and Equipment                                                                                                                                 | 5 to 15 years                           |
| Sealed roads and streets<br>clearing and earthworks<br>construction/road base<br>original surfacing and<br>major re-surfacing<br>- bituminous seals | not depreciated<br>50 years<br>20 years |
| Gravel roads<br>clearing and earthworks<br>construction/road base<br>gravel sheet                                                                   | not depreciated<br>50 years<br>12 years |
| Formed roads (unsealed)<br>clearing and earthworks<br>construction/road base                                                                        | not depreciated<br>50 years             |
| Footpaths - slab                                                                                                                                    | 40 years                                |

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

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

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

***Capitalisation Threshold***

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

**(h) Financial Instruments**

***Initial Recognition and Measurement***

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

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

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2012**

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

**(h) Financial Instruments (Continued)**

***Classification and Subsequent Measurement***

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

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

Amortised cost is calculated as:

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

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

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

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

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

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

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

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2012**

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

**(h) Financial Instruments (Continued)**

***Classification and Subsequent Measurement (Continued)***

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

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

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to the asset previously recognised in other comprehensive income, is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as non-current.

***(v) Financial liabilities***

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

***Impairment***

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

***Derecognition***

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant continued involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

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

**(i) 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 impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (eg AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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.

**(j) Trade and Other Payables**

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

**(k) Employee Benefits**

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for the benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

**(l) 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.

**(m) Provisions**

Provisions are recognised when:

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

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

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

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

**(n) 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 Council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

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

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

**(o) Joint Venture**

The Council's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is set out in Note 16.

The Council's interest in joint venture entities are recorded using the equity method of accounting in the financial report.

When the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of gain or loss not attributable to the Council's share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

**(p) Rates, Grants, Donations and Other Contributions**

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

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

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2012**

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

**(q) Superannuation**

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

**(r) Current and Non-Current Classification**

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

**(s) Rounding Off Figures**

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

**(t) Comparative Figures**

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

**(u) Budget Comparative Figures**

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

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2012**

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

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2012.

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

| Title and Topic                                                                                                                                                                                                 | Issued        | Applicable (*)  | Impact                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) AASB 9 – Financial Instruments                                                                                                                                                                              | December 2009 | 01 January 2013 | Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect. |
| (ii) AASB 1053 - Application of Tiers of Australian Accounting Standards                                                                                                                                        | June 2010     | 01 July 2013    | Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.                                                                                                                                           |
| (iii) AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12) | December 2009 | 01 January 2013 | Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).                                                                                          |

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2012**

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

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

| Title and Topic                                                                                                                                                                                                                                                                                                             | Issued        | Applicable (*)  | Impact                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (iv) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] | June 2010     | 01 July 2013    | Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.                                                   |
| (v) AASB 2010 - 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]                                                                      | December 2010 | 01 January 2013 | Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above). |
| (vi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]                                                                                                                                                                                                   | December 2010 | 01 January 2012 | Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.                                                                  |

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2012**

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

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

| Title and Topic                                                                                                                                                                                              | Issued        | Applicable (*)  | Impact                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| (vii) AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009 - 11 & 2010 - 7]                                                      | December 2010 | 01 January 2013 | Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council. |
| AASB 2011 - 2 Amendments to Australian Accounting Standards - Arising from the Trans-Tasman Consequence Project - Reduced Disclosure Requirements. [AASB 101 & 1054]                                         | May 2011      | 01 July 2013    |                                                                                                                                                  |
| AASB 2011 - 3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to ABS GFS manual and related Amendments. [AASB 1049]                                                              | May 2011      | 01 July 2012    |                                                                                                                                                  |
| AASB 2011 - 6 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127, 128 & 131] | July 2011     | 01 July 2013    |                                                                                                                                                  |

SHIRE OF NORTHAMPTON  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

| Title and Topic                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Issued      | Applicable (*)  | Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (viii) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] | August 2011 | 01 January 2013 | Nil - None of these, except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council. |

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2012**

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

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

| Title and Topic                                                                                                                                                                                                                                                                                                                                    | Issued         | Applicable (*)  | Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (ix) AASB 13 - Fair Value Measurement, AASB 2011 - 8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] | September 2011 | 01 January 2013 | AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 requires inputs to all fair value measurements to be categorised in accordance with fair value hierarchy. AASB 13 also requires enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value. AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards. The amendments to the legislation requires the phasing in of fair value in relation to fixed assets over the three years from 1 July 2012. It is not possible to estimate the likely amount of any revaluations. |
| (x) AASB 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]                                                                                                                                                               | September 2011 | 01 July 2013    | The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

SHIRE OF NORTHAMPTON  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

| Title and Topic                                                                                                                                                                       | Issued         | Applicable (*)  | Impact                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (xi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14] | September 2011 | 01 January 2013 | The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits. |
| (xii) AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements                                                                               | September 2011 | 01 July 2013    | Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.                                                   |
| AASB 2011 – 12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]                                                                                  | November 2011  | 01 January 2013 |                                                                                                                                                                                                    |
| AASB 2011 – 13 Amendments to Australian Accounting Standards – Improvements to AASB 1049                                                                                              | December 2011  | 01 July 2012    |                                                                                                                                                                                                    |

Notes:

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

SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2012

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

**(w) Adoption of New and Revised Accounting Standards**

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

These new and revised standards were:

AASB 124  
AASB 1054  
AASB 2009 - 12  
AASB 2009 - 14  
AASB 2010 - 4  
AASB 2010 - 5  
AASB 2010 - 6  
AASB 2010 - 9  
AASB 2011 - 1

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

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

| <b>2. REVENUE AND EXPENSES</b>                  | <b>2012</b>      | <b>2011</b>      |
|-------------------------------------------------|------------------|------------------|
|                                                 | <b>\$</b>        | <b>\$</b>        |
| <b>(a) Net Result</b>                           |                  |                  |
| The Net Result includes:                        |                  |                  |
| (i) Charging as an Expense:                     |                  |                  |
| <b>Amortisation</b>                             |                  |                  |
| Capitalised Leased Assets                       | 0                | 0                |
| <b>Auditors Remuneration</b>                    |                  |                  |
| - Audit                                         | 16,627           | 16,541           |
| - Other Services                                | 13,575           | 17,629           |
| <b>Depreciation</b>                             |                  |                  |
| Buildings                                       | 330,794          | 294,631          |
| Furniture and Equipment                         | 4,653            | 13,302           |
| Plant and Equipment                             | 319,169          | 278,060          |
| Roads                                           | 771,794          | 728,848          |
| Footpaths                                       | 32,642           | 31,745           |
| Drainage                                        | 23,091           | 23,092           |
| Airports                                        | 22,858           | 22,857           |
| Parks and Ovals                                 | 49,507           | 54,795           |
|                                                 | <u>1,554,508</u> | <u>1,447,330</u> |
| <b>Interest Expenses (Finance Costs)</b>        |                  |                  |
| Debentures ( <i>refer Note 21(a)</i> )          | 69,560           | 66,262           |
|                                                 | <u>69,560</u>    | <u>66,262</u>    |
| <b>Rental Charges</b>                           |                  |                  |
| - Operating Leases                              | 32,101           | 0                |
|                                                 | <u>32,101</u>    | <u>0</u>         |
| (ii) Crediting as Revenue:                      | <b>2012</b>      | <b>2012</b>      |
|                                                 | <b>\$</b>        | <b>Budget</b>    |
|                                                 |                  | <b>\$</b>        |
| <b>Interest Earnings</b>                        |                  |                  |
| Investments                                     |                  |                  |
| - Reserve Funds                                 | 115,463          | 18,000           |
| - Other Funds                                   | 15,214           | 122,000          |
| Other Interest Revenue ( <i>refer note 26</i> ) | 53,568           | 30,000           |
|                                                 | <u>184,245</u>   | <u>170,000</u>   |
|                                                 | <u>184,245</u>   | <u>198,111</u>   |

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2012**

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

**(b) Statement of Objective**

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

**GOVERNANCE**

The delivery of Councillor services to residents, and all expenses related to such activities.  
The management and coordination of the delivery of all services to residents.

**GENERAL PURPOSE FUNDING**

Administration of general rate revenue and all expenses related to the raising and collection of rates. Administration of general purpose grants received from the Grants Commission.

**LAW, ORDER, PUBLIC SAFETY**

Supervision and enforcement of various local laws relating to bushfire control & the Bushfires Act. Supervision of various local laws relating to dogs and ranger services for the care & control of animals. Administration of various local laws relating to camping & other public areas under Council control.

**HEALTH**

Provision of health inspections, food quality and control, immunisation services, administration of Health local laws and maintenance of Doctors Surgery.

**EDUCATION AND WELFARE**

Maintenance of Day Care Centres  
Facilitation and administration of live in care units for the aged.

**HOUSING**

Administration and maintenance of staff and rental housing.

**COMMUNITY AMENITIES**

Rubbish collection services, operation of refuse sites, noise control, administration of Town Planning Schemes, maintenance of cemeteries and public conveniences, and storm water drainage maintenance.

**RECREATION AND CULTURE**

Maintenance of public halls and civic centres, beaches and foreshores, recreation centres and sports ovals, recreational parks and reserves, self help television retransmission services; operation of library services; maintenance of heritage sites and Municipal inventory.

**TRANSPORT**

Construction and maintenance of streets, roads, bridges, drainage and depots; cleaning and lighting of streets; street and directional signage; maintenance of airstrip.

**ECONOMIC SERVICES**

Weed, pest and vermin control. The regulation and provision of tourism, area promotion, building control, standpipes; operation of caravan park.

**OTHER PROPERTY & SERVICES**

Private works and plant hire; plant repairs and operation costs; maintenance of coastal cliffs under Council control.

SHIRE OF NORTHAMPTON  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES (Continued)

| Grant/Contribution    | Function/<br>Activity | Opening                       |          | Received (+)  |                | Expended (#)    |               | Closing                        |                            |
|-----------------------|-----------------------|-------------------------------|----------|---------------|----------------|-----------------|---------------|--------------------------------|----------------------------|
|                       |                       | Balance (*)<br>1-Jul-10<br>\$ | \$       | 2010/11<br>\$ | 2011/12<br>\$  | 2010/11<br>\$   | 2011/12<br>\$ | Balance (*)<br>30-Jun-11<br>\$ | Balance<br>30-Jun-12<br>\$ |
| Royalties for Regions | Recreation            | 42,838                        | 0        | 0             | 0              | (42,838)        | 0             | 0                              | 0                          |
| Royalties for Regions | Transport             | 0                             | 0        | 0             | 123,270        | 0               | 0             | 123,270                        | 123,270                    |
| Roads to Recovery     | Transport             | 0                             | 0        | 0             | 104,722        | 0               | 0             | 0                              | 104,722                    |
| <b>Total</b>          |                       | <b>42,838</b>                 | <b>0</b> | <b>0</b>      | <b>227,992</b> | <b>(42,838)</b> | <b>0</b>      | <b>227,992</b>                 | <b>227,992</b>             |

Notes:

(\*) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(+) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(#) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

|                                                                                                       | 2012             | 2011             |
|-------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                       | \$               | \$               |
| <b>3. CASH AND CASH EQUIVALENTS</b>                                                                   |                  |                  |
| Cash on Hand - Unrestricted                                                                           | 1,350            | 1,350            |
| Cash at Bank - Municipal                                                                              | 402,633          | 363,997          |
| Restricted Reserves                                                                                   | 1,307,486        | 1,166,299        |
|                                                                                                       | <u>1,711,469</u> | <u>1,531,646</u> |
| <br>                                                                                                  |                  |                  |
| Cash at Bank - Municipal                                                                              |                  |                  |
| Unrestricted Cash                                                                                     | 174,641          | 363,997          |
| Restricted Cash - Unspent Grants ( refer to Note 2(c))                                                | 227,992          | 0                |
|                                                                                                       | <u>402,633</u>   | <u>363,997</u>   |
| <br>                                                                                                  |                  |                  |
| The following restrictions have been imposed by regulations or other externally imposed requirements: |                  |                  |
| Leave Reserve                                                                                         | 94,180           | 83,481           |
| Roadwork's Reserve (combined with Bridge Reserve)                                                     | 1,808            | 1,694            |
| Kalbarri Airport Reserve                                                                              | 19,310           | 18,090           |
| Computer & Office Equipment Reserve                                                                   | 25,470           | 23,860           |
| Plant Reserve                                                                                         | 5,632            | 83,480           |
| House & Building Reserve                                                                              | 51,292           | 48,050           |
| Kalbarri Aged Persons Accommodation Reserve                                                           | 175,023          | 151,002          |
| Bridge Reconstruction Reserve - tfr to Roadworks                                                      | 45,139           | 45,823           |
| Northampton Aged Persons Reserve                                                                      | 100,307          | 93,968           |
| Town Planning Scheme Reserve                                                                          | 21,896           | 33,627           |
| Community Bus Reserve                                                                                 | 0                | 13,797           |
| Townscape Car park Reserve                                                                            | 5,065            | 4,745            |
| Refuse Management Reserve                                                                             | 352              | 330              |
| Sport & Recreation Reserve                                                                            | 5,253            | 14,289           |
| Coastal Management Reserve                                                                            | 88,992           | 83,368           |
| Kalbarri Youth Activities Reserve                                                                     | 775              | 726              |
| Specified Area Rate Reserve                                                                           | 12,452           | 11,665           |
| Footpath Reserve                                                                                      | 440              | 412              |
| POS Reserve                                                                                           | 0                | 135,467          |
| Northampton Industrial Unit Reserve                                                                   | 304,907          | 318,425          |
| Northampton 150th Anniversary Reserve                                                                 | 10,000           | 0                |
| Land Development Reserve                                                                              | 339,193          | 0                |
|                                                                                                       | <u>1,307,486</u> | <u>1,166,299</u> |
| <br>                                                                                                  |                  |                  |
| <b>4. TRADE AND OTHER RECEIVABLES</b>                                                                 |                  |                  |
| <b>Current</b>                                                                                        |                  |                  |
| Rates Outstanding                                                                                     | 293,041          | 368,484          |
| Refuse Charge Debtors                                                                                 | 48,495           | 32,792           |
| Sundry Debtors                                                                                        | 275,030          | 916,595          |
| Loans - Clubs/Institutions                                                                            | 4,860            | 4,824            |
| Loans - CEO Self Supporting Loan                                                                      | 6,455            | 0                |
| Emergency Services Levy                                                                               | 32,903           | 31,104           |
| Provision for Doubtful Debts                                                                          | (4,730)          | (4,730)          |
| Accrued Income / Prepaid Exp                                                                          | 13,828           | 0                |
|                                                                                                       | <u>669,882</u>   | <u>1,349,069</u> |
| <br>                                                                                                  |                  |                  |
| <b>Non-Current</b>                                                                                    |                  |                  |
| Rates Outstanding - Pensioners                                                                        | 31,196           | 25,135           |
| Loans - CEO Self Supporting Loan                                                                      | 415,612          | 0                |
| Loans - Clubs/Institutions                                                                            | 35,082           | 39,946           |
|                                                                                                       | <u>481,890</u>   | <u>65,081</u>    |

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

|                                                              | 2012               | 2011               |
|--------------------------------------------------------------|--------------------|--------------------|
|                                                              | \$                 | \$                 |
| <b>5. INVENTORIES</b>                                        |                    |                    |
| <b>Current</b>                                               |                    |                    |
| Fuel and Materials                                           | 9,686              | 6,078              |
| Land Held for Resale - Lower of Cost or Net Realisable Value |                    |                    |
| Cost of Acquisition                                          | 0                  | 0                  |
| Development Costs                                            | 463,636            | 451,088            |
|                                                              | <u>473,322</u>     | <u>457,166</u>     |
| <br>                                                         |                    |                    |
| <b>6. PROPERTY, PLANT AND EQUIPMENT</b>                      |                    |                    |
| Land and Buildings - Cost                                    | 18,253,485         | 16,811,930         |
| Less Accumulated Depreciation                                | <u>(5,857,213)</u> | <u>(5,548,101)</u> |
|                                                              | 12,396,272         | 11,263,829         |
| <br>                                                         |                    |                    |
| Furniture and Equipment - Cost                               | 486,196            | 369,223            |
| Less Accumulated Depreciation                                | <u>(300,789)</u>   | <u>(302,266)</u>   |
|                                                              | 185,407            | 66,957             |
| <br>                                                         |                    |                    |
| Plant and Equipment - Cost                                   | 5,684,761          | 5,348,029          |
| Less Accumulated Depreciation                                | <u>(2,620,568)</u> | <u>(2,861,390)</u> |
|                                                              | 3,064,193          | 2,486,639          |
| <br>                                                         |                    |                    |
|                                                              | <u>15,645,872</u>  | <u>13,817,425</u>  |

SHIRE OF NORTHAMPTON  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2012

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

|                                            | Land<br>&<br>Buildings<br>\$ | Furniture<br>&<br>Equipment<br>\$ | Plant<br>&<br>Equipment<br>\$ | Total<br>\$              |
|--------------------------------------------|------------------------------|-----------------------------------|-------------------------------|--------------------------|
| Balance as at the beginning of the year    | 11,263,829                   | 66,957                            | 2,486,639                     | 13,817,425               |
| Asset classification correction adjustment | 26,630                       | 6,130                             | 1,887                         | 34,647                   |
| Restated balance                           | <u>11,290,459</u>            | <u>73,087</u>                     | <u>2,488,526</u>              | <u>13,852,072</u>        |
| Additions                                  | 1,445,463                    | 116,973                           | 1,127,852                     | 2,690,288                |
| (Disposals)                                | (8,856)                      | 0                                 | (233,016)                     | (241,872)                |
| Depreciation (Expense)                     | (330,794)                    | (4,653)                           | (319,169)                     | (654,616)                |
| Carrying amount at the end of year         | <u><u>12,396,272</u></u>     | <u><u>185,407</u></u>             | <u><u>3,064,193</u></u>       | <u><u>15,645,872</u></u> |

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2012**

|                               | 2012                | 2011                |
|-------------------------------|---------------------|---------------------|
|                               | \$                  | \$                  |
| <b>7. INFRASTRUCTURE</b>      |                     |                     |
| Roads - Cost                  | 69,341,018          | 67,891,385          |
| Less Accumulated Depreciation | <u>(13,415,271)</u> | <u>(12,643,479)</u> |
|                               | 55,925,747          | 55,247,906          |
| <br>                          |                     |                     |
| Footpaths - Cost              | 1,849,331           | 1,706,429           |
| Less Accumulated Depreciation | <u>(281,587)</u>    | <u>(248,945)</u>    |
|                               | 1,567,744           | 1,457,484           |
| <br>                          |                     |                     |
| Drainage - Cost               | 557,857             | 557,857             |
| Less Accumulated Depreciation | <u>(191,242)</u>    | <u>(168,151)</u>    |
|                               | 366,615             | 389,706             |
| <br>                          |                     |                     |
| Airport - Cost                | 1,142,913           | 1,142,913           |
| Less Accumulated Depreciation | <u>(210,887)</u>    | <u>(188,029)</u>    |
|                               | 932,026             | 954,884             |
| <br>                          |                     |                     |
| Parks & Ovals - Cost          | 1,623,370           | 1,592,335           |
| Less Accumulated Depreciation | <u>(312,062)</u>    | <u>(268,278)</u>    |
|                               | 1,311,308           | 1,324,057           |
|                               | <u>60,103,440</u>   | <u>59,374,037</u>   |

SHIRE OF NORTHAMPTON  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2012

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

|                                            | Roads<br>\$              | Footpaths<br>\$         | Drainage<br>\$        | Airports<br>\$        | Parks<br>and<br>Ovals<br>\$ | Total<br>\$              |
|--------------------------------------------|--------------------------|-------------------------|-----------------------|-----------------------|-----------------------------|--------------------------|
| Balance at the beginning of the year       | 55,247,906               | 1,457,484               | 389,706               | 954,884               | 1,324,057                   | 59,374,037               |
| Asset classification correction adjustment | (40,370)                 | 0                       | 0                     | 0                     | 5,723                       | (34,647)                 |
| Restated balance                           | <u>55,207,536</u>        | <u>1,457,484</u>        | <u>389,706</u>        | <u>954,884</u>        | <u>1,329,780</u>            | <u>59,339,390</u>        |
| Additions                                  | 1,490,005                | 142,902                 | 0                     | 0                     | 31,035                      | 1,663,942                |
| Depreciation (Expense)                     | (771,794)                | (32,642)                | (23,091)              | (22,858)              | (49,507)                    | (899,892)                |
| <b>Carrying amount at the end of year</b>  | <u><u>55,925,747</u></u> | <u><u>1,567,744</u></u> | <u><u>366,615</u></u> | <u><u>932,026</u></u> | <u><u>1,311,308</u></u>     | <u><u>60,103,440</u></u> |

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2012**

**2012**                      **2011**  
**\$**                              **\$**

**8. TRADE AND OTHER PAYABLES**

**Current**

|                                |                  |                  |
|--------------------------------|------------------|------------------|
| Trade Creditors                | 585,328          | 1,074,895        |
| Accrued Interest on Debentures | 7,661            | 10,391           |
| GST Payable                    | 425,363          | 354,381          |
| Accrued Salaries and Wages     | 56,665           | 47,118           |
|                                | <u>1,075,017</u> | <u>1,486,785</u> |

**9. LONG-TERM BORROWINGS**

**Current**

|                            |                |                |
|----------------------------|----------------|----------------|
| Secured by Floating Charge |                |                |
| Debentures                 | 155,199        | 157,455        |
| Lease Liability            |                |                |
|                            | <u>155,199</u> | <u>157,455</u> |

**Non-Current**

|                            |                |                |
|----------------------------|----------------|----------------|
| Secured by Floating Charge |                |                |
| Debentures                 | 959,970        | 711,296        |
| Lease Liability            |                |                |
|                            | <u>959,970</u> | <u>711,296</u> |

Additional detail on borrowings is provided in Note 21.

**10. PROVISIONS**

**Current**

|                                  |                |                |
|----------------------------------|----------------|----------------|
| Provision for Annual Leave       | 249,536        | 171,103        |
| Provision for Long Service Leave | 194,300        | 173,042        |
|                                  | <u>443,836</u> | <u>344,145</u> |

**Non-Current**

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Provision for Long Service Leave | 38,545        | 15,600        |
|                                  | <u>38,545</u> | <u>15,600</u> |

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

|                                                        | 2012<br>\$     | 2012<br>Budget<br>\$ | 2011<br>\$     |
|--------------------------------------------------------|----------------|----------------------|----------------|
| <b>11. RESERVES - CASH BACKED</b>                      |                |                      |                |
| <b>(a) Leave Reserve</b>                               |                |                      |                |
| Opening Balance                                        | 83,481         | 83,481               | 80,939         |
| Amount Set Aside / Transfer to Reserve                 | 10,699         | 2,700                | 2,542          |
| Amount Used / Transfer from Reserve                    | 0              | 0                    | 0              |
|                                                        | <u>94,180</u>  | <u>86,181</u>        | <u>83,481</u>  |
| <b>(b) Roadwork's Reserve</b>                          |                |                      |                |
| Opening Balance                                        | 1,694          | 20,148               | 19,535         |
| Amount Set Aside / Transfer to Reserve                 | 114            | 47,823               | 614            |
| Amount Used / Transfer from Reserve                    | 0              | 0                    | (18,455)       |
|                                                        | <u>1,808</u>   | <u>67,971</u>        | <u>1,694</u>   |
| <b>(c) Kalbarri Airport Reserve</b>                    |                |                      |                |
| Opening Balance                                        | 18,090         | 18,090               | 17,539         |
| Amount Set Aside / Transfer to Reserve                 | 1,220          | 550                  | 551            |
| Amount Used / Transfer from Reserve                    | 0              | 0                    | 0              |
|                                                        | <u>19,310</u>  | <u>18,640</u>        | <u>18,090</u>  |
| <b>(d) Computer and Office Equipment Reserve</b>       |                |                      |                |
| Opening Balance                                        | 23,860         | 23,859               | 23,133         |
| Amount Set Aside / Transfer to Reserve                 | 1,610          | 750                  | 727            |
| Amount Used / Transfer from Reserve                    | 0              | 0                    | 0              |
|                                                        | <u>25,470</u>  | <u>24,609</u>        | <u>23,860</u>  |
| <b>(e) Plant Reserve</b>                               |                |                      |                |
| Opening Balance                                        | 83,480         | 85,632               | 344,149        |
| Amount Set Aside / Transfer to Reserve                 | 5,632          | 3,000                | 10,809         |
| Amount Used / Transfer from Reserve                    | (83,480)       | 0                    | (271,478)      |
|                                                        | <u>5,632</u>   | <u>88,632</u>        | <u>83,480</u>  |
| <b>(f) House and Building Reserve</b>                  |                |                      |                |
| Opening Balance                                        | 48,050         | 48,049               | 46,586         |
| Amount Set Aside / Transfer to Reserve                 | 3,242          | 1,400                | 1,464          |
| Amount Used / Transfer from Reserve                    | 0              | 0                    | 0              |
|                                                        | <u>51,292</u>  | <u>49,449</u>        | <u>48,050</u>  |
| <b>(g) Kalbarri Aged Persons Accommodation Reserve</b> |                |                      |                |
| Opening Balance                                        | 151,002        | 152,617              | 129,922        |
| Amount Set Aside / Transfer to Reserve                 | 24,021         | 20,720               | 21,080         |
| Amount Used / Transfer from Reserve                    | 0              | 0                    | 0              |
|                                                        | <u>175,023</u> | <u>173,337</u>       | <u>151,002</u> |

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

| 11. RESERVES - CASH BACKED (continued)      | 2012<br>\$     | 2012<br>Budget<br>\$ | 2011<br>\$    |
|---------------------------------------------|----------------|----------------------|---------------|
| <b>(h) Bridge Reconstruction Reserve</b>    |                |                      |               |
| Opening Balance                             | 45,823         | 45,823               | 44,428        |
| Amount Set Aside / Transfer to Reserve      | 3,091          | 1,500                | 1,395         |
| Amount Used / Transfer from Reserve         | (3,775)        | (47,323)             | 0             |
|                                             | <u>45,139</u>  | <u>-</u>             | <u>45,823</u> |
| <b>(i) Northampton Aged Persons Reserve</b> |                |                      |               |
| Opening Balance                             | 93,968         | 93,967               | 91,106        |
| Amount Set Aside / Transfer to Reserve      | 6,339          | 3,000                | 2,862         |
| Amount Used / Transfer from Reserve         | 0              | 0                    | 0             |
|                                             | <u>100,307</u> | <u>96,967</u>        | <u>93,968</u> |
| <b>(j) Town Planning Scheme Reserve</b>     |                |                      |               |
| Opening Balance                             | 33,627         | 53,624               | 51,991        |
| Amount Set Aside / Transfer to Reserve      | 2,269          | 1,500                | 1,632         |
| Amount Used / Transfer from Reserve         | (14,000)       | (55,124)             | (19,996)      |
|                                             | <u>21,896</u>  | <u>0</u>             | <u>33,627</u> |
| <b>(k) Community Bus Reserve</b>            |                |                      |               |
| Opening Balance                             | 13,797         | 13,797               | 13,377        |
| Amount Set Aside / Transfer to Reserve      | 931            | 0                    | 420           |
| Amount Used / Transfer from Reserve         | (14,728)       | (13,797)             | 0             |
|                                             | <u>0</u>       | <u>0</u>             | <u>13,797</u> |
| <b>(l) Townscape Car Park Reserve</b>       |                |                      |               |
| Opening Balance                             | 4,745          | 4,744                | 4,600         |
| Amount Set Aside / Transfer to Reserve      | 320            | 150                  | 145           |
| Amount Used / Transfer from Reserve         | 0              | 0                    | 0             |
|                                             | <u>5,065</u>   | <u>4,894</u>         | <u>4,745</u>  |
| <b>(m) Refuse Management Reserve</b>        |                |                      |               |
| Opening Balance                             | 330            | 330                  | 10,519        |
| Amount Set Aside / Transfer to Reserve      | 22             | 0                    | 330           |
| Amount Used / Transfer from Reserve         | 0              | (330)                | (10,519)      |
|                                             | <u>352</u>     | <u>0</u>             | <u>330</u>    |
| <b>(n) Sport and Recreation Reserve</b>     |                |                      |               |
| Opening Balance                             | 14,289         | 140,833              | 136,546       |
| Amount Set Aside / Transfer to Reserve      | 964            | 4,200                | 151,265       |
| Amount Used / Transfer from Reserve         | (10,000)       | 0                    | (273,522)     |
|                                             | <u>5,253</u>   | <u>145,033</u>       | <u>14,289</u> |
| <b>(o) Coastal Management Reserve</b>       |                |                      |               |
| Opening Balance                             | 83,368         | 83,368               | 80,829        |
| Amount Set Aside / Transfer to Reserve      | 5,624          | 2,500                | 2,539         |
| Amount Used / Transfer from Reserve         | 0              | 0                    | 0             |
|                                             | <u>88,992</u>  | <u>85,868</u>        | <u>83,368</u> |

**SHIRE OF NORTHAMPTON**  
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| 11. RESERVES - CASH BACKED (continued)           | 2012<br>\$       | 2012<br>Budget<br>\$ | 2011<br>\$       |
|--------------------------------------------------|------------------|----------------------|------------------|
| <b>(p) Kalbarri Youth Activities Reserve</b>     |                  |                      |                  |
| Opening Balance                                  | 726              | 726                  | 704              |
| Amount Set Aside / Transfer to Reserve           | 49               | 0                    | 22               |
| Amount Used / Transfer from Reserve              | 0                | (726)                | 0                |
|                                                  | <u>775</u>       | <u>0</u>             | <u>726</u>       |
| <b>(q) Specified Area Rate Reserve</b>           |                  |                      |                  |
| Opening Balance                                  | 11,665           | 14,392               | 31,628           |
| Amount Set Aside / Transfer to Reserve           | 787              | 500                  | 994              |
| Amount Used / Transfer from Reserve              | 0                | 0                    | (20,957)         |
|                                                  | <u>12,452</u>    | <u>14,892</u>        | <u>11,665</u>    |
| <b>(r) Footpath Reserve</b>                      |                  |                      |                  |
| Opening Balance                                  | 412              | 400                  | 400              |
| Amount Set Aside / Transfer to Reserve           | 28               | 0                    | 12               |
| Amount Used / Transfer from Reserve              | 0                | (400)                | 0                |
|                                                  | <u>440</u>       | <u>0</u>             | <u>412</u>       |
| <b>(s) POS Reserve</b>                           |                  |                      |                  |
| Opening Balance                                  | 135,467          | 135,467              | 131,342          |
| Amount Set Aside / Transfer to Reserve           | 0                | 4,500                | 4,125            |
| Amount Used / Transfer from Reserve              | (135,467)        | (30,000)             | 0                |
|                                                  | <u>0</u>         | <u>109,967</u>       | <u>135,467</u>   |
| <b>(t) Northampton Industrial Units</b>          |                  |                      |                  |
| Opening Balance                                  | 318,425          | 345,017              | 345,017          |
| Amount Set Aside / Transfer to Reserve           | 21,482           | 0                    | 10,836           |
| Amount Used / Transfer from Reserve              | (35,000)         | (345,017)            | (37,428)         |
|                                                  | <u>304,907</u>   | <u>0</u>             | <u>318,425</u>   |
| <b>(u) Northampton 150th Anniversary Reserve</b> |                  |                      |                  |
| Opening Balance                                  | 0                | 0                    | 0                |
| Amount Set Aside / Transfer to Reserve           | 10,000           | 10,000               | 0                |
| Amount Used / Transfer from Reserve              | 0                | 0                    | 0                |
|                                                  | <u>10,000</u>    | <u>10,000</u>        | <u>0</u>         |
| <b>(v) Land Development Reserve</b>              |                  |                      |                  |
| Opening Balance                                  | 0                | 321,964              | 0                |
| Amount Set Aside / Transfer to Reserve           | 339,193          | 0                    | 0                |
| Amount Used / Transfer from Reserve              | 0                | (74,493)             | 0                |
|                                                  | <u>339,193</u>   | <u>247,471</u>       | <u>0</u>         |
| <b>TOTAL CASH BACKED RESERVES</b>                | <u>1,307,486</u> | <u>1,223,911</u>     | <u>1,166,299</u> |

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**11. RESERVES - CASH BACKED (continued)**

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

**Leave Reserve**

- to be used to fund annual and long service leave requirements

**Roadwork's Reserve**

- to be used to fund major reseals of bitumen roads and other major road construction works including footpath construction

**Kalbarri Airport Reserve**

- to be used for the maintenance and construction of the Kalbarri Airport.

**Computer and Office Equipment Reserve**

- to be used to for the purchase and upgrade of office equipment and computers

**Plant Reserve**

- to be used for the purchase of major plant

**House and Building Reserve**

- to be used for the construction of new housing and upgrades to buildings under Council control

**Kalbarri Aged Persons Accommodation Reserve**

- to be used for the construction of live in aged care facilities in Kalbarri

**Bridge Reconstruction Reserve**

- to be used to fund major maintenance to bridges, as defined by Main Roads Assessment Report

**Northampton Aged Persons Reserve**

- to be used for the construction of live in aged care facilities in Northampton

**Town Planning Scheme Reserve**

- to be used for the review of Council's town planning schemes

**Community Bus Reserve**

- to be used for future major repairs and upgrade of the community bus.

**Townscape Car Park Reserve**

- to be used for the construction of the car park area in the CBD area adjacent to Porter Street, Kalbarri, this is a Kalbarri Townscape project.

**Refuse Management Reserve**

- to be used for the upgrade and capital works to refuse sites within the district.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2012**

**11. RESERVES - CASH BACKED (continued)**

**Sport and Recreation Reserve**

- to be used for the upgrade and capital works to sporting and recreation facilities within the district.

**Coastal Management Reserve**

- to be used for the construction of capital works along the foreshore management reserves within the district.

**Kalbarri Youth Activities Reserve**

- to be used for the Kalbarri Youth Space Project Infrastructure.

**Specified Area Rate Reserve**

- to be used for unspent Specified Area Rate monies allocated and not expended.

**Footpath Reserve**

- to be used for the construction of Footpaths within the Shire of Northampton.

**POS Reserve**

- to be utilised for the Development of Public Open Space areas in Kalbarri.

**Northampton Industrial Units**

- to be utilised for the construction of the Northampton Industrial Area located at Seventh Avenue, Northampton.

**Northampton 150th Anniversary Reserve**

- to be used for conducting community events and the purchase of a monument to recognise the 150th anniversary of the Northampton Townsite

**Land Development Reserve**

- for the development of Council land for sale on the open market.

**SHIRE OF NORTHAMPTON**  
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**12. RESERVES - ASSET REVALUATION**

The Asset Revaluation Reserves arose on initial revaluation of asset classifications in prior years as follows:

|                        | \$                |
|------------------------|-------------------|
| (i) Land and Buildings | 5,656,352         |
| (ii) Roads             | 18,986,482        |
| <b>Total</b>           | <b>24,642,834</b> |

**Prior Period Correction**

In 2011 (and previous years), this balance was disclosed as part of the Asset Revaluation Reserve balance despite the Council resolving to revert to deemed cost in accordance with the transition to IFRS effective from 1 July 2004. At the time of reverting to deemed cost the Asset Revaluation Reserve should have been transferred to Retained Surplus.

Balances relating to the 2011 comparative year have been amended due to the correction of the prior period error. This error has been adjusted in accordance with the requirements of AASB101 as shown below:

**Effect of the above:**

|                                        | Original<br>Balance | Amount of<br>Adjustment | Adjusted<br>Balance |
|----------------------------------------|---------------------|-------------------------|---------------------|
| <b>Statement of Financial Position</b> |                     |                         |                     |
| Retained Surplus                       | 47,186,749          | 24,642,834              | 71,829,583          |
| Reserves - Asset Revaluation           | 24,642,834          | (24,642,834)            | 0                   |
| <b>Statement of Changes in Equity</b>  |                     |                         |                     |
| Retained Surplus                       | 47,186,749          | 24,642,834              | 71,829,583          |
| Reserves - Asset Revaluation           | 24,642,834          | (24,642,834)            | 0                   |

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**13. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

|                           | 2012<br>\$       | 2012<br>Budget<br>\$ | 2011<br>\$       |
|---------------------------|------------------|----------------------|------------------|
| Cash and Cash Equivalents | 1,711,469        | 1,223,911            | 1,531,646        |
| Bank Overdraft            | 0                | (621,471)            | 0                |
| Cash and Cash Equivalents | <u>1,711,469</u> | <u>602,440</u>       | <u>1,531,646</u> |

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

|                                                       |                  |                |                |
|-------------------------------------------------------|------------------|----------------|----------------|
| Net Result                                            | 2,534,165        | 2,448,406      | 445,269        |
| Depreciation                                          | 1,554,508        | 1,546,500      | 1,447,330      |
| (Profit)/Loss on Sale of Asset                        | (20,226)         | (748,460)      | (88,611)       |
| Devaluation of Land Held for Resale                   | 119,285          | 0              | 0              |
| (Increase)/Decrease in Receivables                    | 679,617          | (350,000)      | (800,839)      |
| (Increase)/Decrease in Inventories                    | (3,608)          | 0              | 1,915          |
| Increase/(Decrease) in Payables                       | (421,315)        | 350,000        | 394,536        |
| Increase/(Decrease) in Employee Provisions            | 132,183          | 0              | 25,899         |
| Grants/Contributions for<br>the Development of Assets | (3,197,496)      | (2,681,674)    | (1,104,273)    |
| Net Cash from Operating Activities                    | <u>1,377,113</u> | <u>564,772</u> | <u>321,226</u> |

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

|                                      |                |                |
|--------------------------------------|----------------|----------------|
| Bank Overdraft limit                 | 500,000        | 150,000        |
| Bank Overdraft at Balance Date       | 0              | 0              |
| Credit Card limit                    | 5,000          | 5,000          |
| Credit Card Balance at Balance Date  | (1,011)        | (1,470)        |
| <b>Total Amount of Credit Unused</b> | <u>503,989</u> | <u>153,530</u> |

**Loan Facilities**

|                                                |                  |                |
|------------------------------------------------|------------------|----------------|
| Loan Facilities - Current                      | 155,199          | 157,455        |
| Loan Facilities - Non-Current                  | 959,970          | 711,296        |
| <b>Total Facilities in Use at Balance Date</b> | <u>1,115,169</u> | <u>868,751</u> |

|                                               |            |            |
|-----------------------------------------------|------------|------------|
| <b>Unused Loan Facilities at Balance Date</b> | <u>Nil</u> | <u>Nil</u> |
|-----------------------------------------------|------------|------------|

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**14. CONTINGENT LIABILITIES**

The Shire of Northampton had no contingent liabilities as at the reporting date.

|                                                                                      | <b>2012</b>   | <b>2011</b> |
|--------------------------------------------------------------------------------------|---------------|-------------|
|                                                                                      | \$            | \$          |
| <b>15. CAPITAL AND LEASING COMMITMENTS</b>                                           |               |             |
| <b>(a) Finance Lease Commitments</b>                                                 |               |             |
| The Shire had no finance lease commitments during the 2011/12 year.                  |               |             |
| <b>(b) Operating Lease Commitments</b>                                               |               |             |
| Non-cancellable operating leases contracted for but not capitalised in the accounts. |               |             |
| Payable:                                                                             |               |             |
| - not later than one year                                                            | 22,893        | 0           |
| - later than one year but not later than five years                                  | 0             | 0           |
| - later than five years                                                              | 0             | 0           |
|                                                                                      | <u>22,893</u> | <u>0</u>    |
|                                                                                      | <u>22,893</u> | <u>0</u>    |

**(c) Capital Expenditure Commitments**

The Shire did not have any future capital expenditure commitments as at the reporting date.

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

**16. JOINT VENTURE**

- (a) The Shire together with the Ministry of Housing have a joint venture arrangement with regard to the provision of aged care units in Kalbarri. The assets involved are currently:
- Four two bedroom units constructed in 1998, Council's equity in these units \$40,000.
  - Council contributed \$50,000 in 2001/2002 towards the construction of a further four two bedroom units which have been constructed on the same site as the initial four units.
  - Council in 2006/2007 contributed \$54,545 towards the construction of an additional three two bedroom units bringing the Council's equity to eleven units.

|                                | <b>2012</b>     | <b>2011</b>     |
|--------------------------------|-----------------|-----------------|
|                                | \$              | \$              |
| <b>Non-Current Assets</b>      |                 |                 |
| Building                       | 144,545         | 144,545         |
| Less: Accumulated Depreciation | <u>(28,789)</u> | <u>(25,898)</u> |
|                                | <u>115,756</u>  | <u>118,647</u>  |

- (b) The Shire together with the City of Geraldton/Greenough have a joint venture arrangement with regard to the ownership and management of the Kalbarri Airport. Council has a 50% equity in the venture and this entitles it to up to 50% share of the income as well as 50% of the responsibility for all expenses. The assets involved centre on the Kalbarri Airport Facility. Council's 50% equity in the venture is shown in Airport Infrastructure and Land in Note 7 as follows:

|                                | <b>2012</b>      | <b>2011</b>      |
|--------------------------------|------------------|------------------|
|                                | \$               | \$               |
| <b>Airport Infrastructure</b>  |                  |                  |
| Airport                        | 1,142,913        | 1,142,913        |
| Less: Accumulated Depreciation | <u>(210,887)</u> | <u>(188,029)</u> |
|                                | <u>932,026</u>   | <u>954,884</u>   |
| <br>                           |                  |                  |
| Land                           | <u>51,468</u>    | <u>51,468</u>    |
|                                | <u>51,468</u>    | <u>51,468</u>    |

- (c) The Shire together with the Shire of Chapman Valley have a joint venture arrangement relating to the purchase of a speed trailer. This purchase is on a 50% share basis. Council equity is shown under Property, Plant and Equipment in Note 6.

|                                | <b>2012</b>    | <b>2011</b>    |
|--------------------------------|----------------|----------------|
|                                | \$             | \$             |
| <b>Plant and Equipment</b>     |                |                |
| Plant and Equipment            | 8,167          | 8,167          |
| Less: Accumulated Depreciation | <u>(4,625)</u> | <u>(3,808)</u> |
|                                | <u>3,542</u>   | <u>4,359</u>   |

**SHIRE OF NORTHAMPTON  
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| <b>17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</b> | <b>2012</b>       | <b>2011</b>       |
|-------------------------------------------------------------|-------------------|-------------------|
|                                                             | <b>\$</b>         | <b>\$</b>         |
| Governance                                                  | 566,032           | 585,713           |
| General Purpose Funding                                     | 421,401           | 421,401           |
| Law, Order, Public Safety                                   | 327,480           | 285,595           |
| Health                                                      | 606,800           | 597,830           |
| Education and Welfare                                       | 176,864           | 183,074           |
| Housing                                                     | 1,199,369         | 1,220,333         |
| Community Amenities                                         | 1,062,619         | 1,084,429         |
| Recreation and Culture                                      | 9,591,682         | 8,414,408         |
| Transport                                                   | 62,879,328        | 61,557,123        |
| Economic Services                                           | 92,129            | 54,445            |
| Other Property and Services                                 | 935,665           | 470,265           |
| Unallocated                                                 | 1,226,506         | 1,719,808         |
|                                                             | <u>79,085,875</u> | <u>76,594,424</u> |

**SHIRE OF NORTHAMPTON**  
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| 18. FINANCIAL RATIOS                               | 2012 | 2011 | 2010 |
|----------------------------------------------------|------|------|------|
| Current Ratio                                      | 0.84 | 1.14 | 2.46 |
| Untied Cash to Unpaid Trade Creditors Ratio        | 0.17 | 0.26 | 3.14 |
| Debt Ratio                                         | 0.03 | 0.04 | 0.03 |
| Debt Service Ratio                                 | 0.04 | 0.05 | 0.05 |
| Gross Debt to Revenue Ratio                        | 0.17 | 0.14 | 0.18 |
| Gross Debt to Economically Realisable Assets Ratio | 0.06 | 0.05 | 0.06 |
| Rate Coverage Ratio                                | 0.31 | 0.39 | 0.34 |
| Outstanding Rates Ratio                            | 0.09 | 0.12 | 0.08 |

The above ratios are calculated as follows:

|                                                    |                                                                                                                                        |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Current Ratio                                      | $\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$ |
| Untied Cash to Unpaid Trade Creditors Ratio        | $\frac{\text{untied cash}}{\text{unpaid trade creditors}}$                                                                             |
| Debt Ratio                                         | $\frac{\text{total liabilities}}{\text{total assets}}$                                                                                 |
| Debt Service Ratio                                 | $\frac{\text{debt service cost}}{\text{available operating revenue}}$                                                                  |
| Gross Debt to Revenue Ratio                        | $\frac{\text{gross debt}}{\text{total revenue}}$                                                                                       |
| Gross Debt to Economically Realisable Assets Ratio | $\frac{\text{gross debt}}{\text{economically realisable assets}}$                                                                      |
| Rate Coverage Ratio                                | $\frac{\text{net rate revenue}}{\text{operating revenue}}$                                                                             |
| Outstanding Rates Ratio                            | $\frac{\text{rates outstanding}}{\text{rates collectable}}$                                                                            |

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

**19. TRUST FUNDS**

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

|                                          | Balance<br>1-Jul-11<br>\$ | Amounts<br>Received<br>\$ | Amounts<br>Paid<br>(\$) | Balance<br>30-Jun-12<br>\$ |
|------------------------------------------|---------------------------|---------------------------|-------------------------|----------------------------|
| Town Planning - Security Bonds           | 5,000                     | 0                         | 0                       | 5,000                      |
| Galena Donations                         | 431                       | 0                         | 0                       | 431                        |
| Transportable Housing Bond               | 11,275                    | 10,000                    | 0                       | 21,275                     |
| Footpath Deposits                        | 38,820                    | 11,000                    | 0                       | 49,820                     |
| Horrocks Retention Fee - Parking/Stage 2 | 1,800                     | 0                         | 0                       | 1,800                      |
| Retentions - Subdivisions                | 240,776                   | 0                         | (64,622)                | 176,154                    |
| Building Levies (BCITF & BRB)            | 183                       | 0                         | 0                       | 183                        |
| Community Bus Bond                       | 4,400                     | 200                       | 0                       | 4,600                      |
| Safer WA Funds                           | 4,330                     | 0                         | 0                       | 4,330                      |
| Northampton Cemetery Funds               | 920                       | 0                         | 0                       | 920                        |
| Unclaimed Monies - Rates                 | 5,569                     | 732                       | 0                       | 6,301                      |
| DOLA - Parks & Gardens Development       | 8,261                     | 0                         | 0                       | 8,261                      |
| Aged Unit Bond                           | 1,306                     | 100                       | 0                       | 1,406                      |
| Council Housing Bonds                    | 940                       | 520                       | 0                       | 1,460                      |
| BROC - Management Funds                  | 1,174                     | 0                         | 0                       | 1,174                      |
| Kalbarri Youth Space Project Funds       | 1,125                     | 0                         | 0                       | 1,125                      |
| Burning Off Fees                         | 194                       | 22                        | 0                       | 216                        |
| RSL Hall Key Bond                        | 170                       | 460                       | 0                       | 630                        |
| Peet Park Donations                      | 4,288                     | 0                         | 0                       | 4,288                      |
| Willa Guthurra                           | 10,000                    | 0                         | (10,000)                | 0                          |
| Special Series Plates                    | 540                       | 330                       | 0                       | 870                        |
| Auction                                  | 0                         | 5,675                     | (5,675)                 | 0                          |
| Kidsport                                 | 0                         | 27,000                    | (2,321)                 | 24,679                     |
| Public Open Space                        | 0                         | 135,467                   | (87,139)                | 48,328                     |
|                                          | <u>341,502</u>            |                           |                         | <u>363,251</u>             |

**SHIRE OF NORTHAMPTON**  
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**20. DISPOSALS OF ASSETS - 2011/12 FINANCIAL YEAR**

The following assets were disposed of during the year.

|                                    | Net Book Value |              | Sale Price   |              | Profit (Loss) |              |
|------------------------------------|----------------|--------------|--------------|--------------|---------------|--------------|
|                                    | Actual<br>\$   | Budget<br>\$ | Actual<br>\$ | Budget<br>\$ | Actual<br>\$  | Budget<br>\$ |
| <b>Governance</b>                  |                |              |              |              |               |              |
| Toyota Prado (CEO)                 | 29,297         | 34,388       | 41,818       | 36,000       | 12,521        | 1,612        |
| <b>Community Amenities</b>         |                |              |              |              |               |              |
| Holden Captiva                     | 20,096         | 23,587       | 20,909       | 20,000       | 813           | (3,587)      |
| Red Bluff Toilet Block             | 8,857          | 0            | 0            | 0            | (8,857)       | 0            |
| <b>Transport</b>                   |                |              |              |              |               |              |
| Cat Grader                         | 160,894        | 168,118      | 110,000      | 105,000      | (50,894)      | (63,118)     |
| Front End Loader                   | 0              | 0            | 45,000       | 35,000       | 45,000        | 35,000       |
| Community Bus                      | 5,082          | 12,727       | 19,091       | 30,000       | 14,009        | 17,273       |
| Ford Courier Ute NR 8487           | 5,000          | 10,781       | 4,091        | 2,000        | (909)         | (8,781)      |
| Mazda Bravo Ute NR 478             | 0              | 0            | 0            | 2,000        | 0             | 2,000        |
| Mazda NR 8247                      | 0              | 0            | 5,227        | 0            | 5,227         | 0            |
| Mazda NR 8694                      | 0              | 0            | 600          | 0            | 600           | 0            |
| <b>Economic Services</b>           |                |              |              |              |               |              |
| Toyota Prado (EHO)                 | 12,646         | 17,439       | 25,909       | 27,000       | 13,263        | 9,561        |
|                                    | 241,872        | 267,040      | 272,645      | 257,000      | 30,773        | (10,040)     |
| <b>Other Property and Services</b> |                |              |              |              |               |              |
| Land Held for Resale*              | 83,274         | 41,500       | 72,727       | 800,000      | (10,547)      | 758,500      |
|                                    | 325,146        | 308,540      | 345,372      | 1,057,000    | 20,226        | 748,460      |

\* Shire budgeted to sell all 8 lots at "Old School" subdivision in 2011/12.

SHIRE OF NORTHAMPTON  
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21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

| Particulars                       | Principal<br>1-Jul-11<br>\$ | New<br>Loans<br>\$ | Principal<br>Repayments |              | Principal<br>30-Jun-12 |              | Interest<br>Repayments |              |
|-----------------------------------|-----------------------------|--------------------|-------------------------|--------------|------------------------|--------------|------------------------|--------------|
|                                   |                             |                    | Actual<br>\$            | Budget<br>\$ | Actual<br>\$           | Budget<br>\$ | Actual<br>\$           | Budget<br>\$ |
| <b>Other Property</b>             | 0                           | 422,067            | 0                       | 31,552       | 422,067                | 388,448      | 20,565                 | 9,902        |
| 152 - CEO Self Supporting Loan*   |                             |                    |                         |              |                        |              |                        |              |
| <b>Recreation &amp; Culture</b>   | 35,068                      | 0                  | 35,068                  | 35,069       | 0                      | 0            | 831                    | 1,716        |
| 146 - Sport & Recreation CSRFF    | 17,103                      | 0                  | 2,421                   | 2,421        | 14,682                 | 14,682       | 1,011                  | 1,056        |
| 147 - Kalbarri Bowling Club*      | 173,217                     | 0                  | 19,788                  | 19,787       | 153,429                | 153,429      | 7,739                  | 7,844        |
| 148 - Kalbarri Library Extensions | 27,668                      | 0                  | 2,407                   | 2,407        | 25,261                 | 25,261       | 1,613                  | 1,603        |
| 151 - Kalbarri Bowling Club*      |                             |                    |                         |              | 0                      |              |                        |              |
| <b>Transport</b>                  | 389,131                     | 0                  | 44,430                  | 44,430       | 344,701                | 344,701      | 27,592                 | 27,459       |
| 149 - Plant Purchases             | 226,564                     | 0                  | 71,535                  | 71,535       | 155,029                | 155,028      | 10,209                 | 11,282       |
| 150 - Plant Purchases             | 0                           | 0                  | 0                       | 0            | 0                      | 390,000      | 0                      | 0            |
| 153 - Plant Purchases             |                             |                    |                         |              |                        |              |                        |              |
|                                   | 868,751                     | 422,067            | 175,649                 | 207,201      | 1,115,169              | 1,471,549    | 69,560                 | 60,862       |

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

All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2011/12

| Particulars/Purpose      | Amount Borrowed |              | Institution | Loan<br>Type       | Term<br>(Years) | Total<br>Interest &<br>Charges<br>\$ | Interest<br>Rate<br>% | Amount Used  |              | Balance<br>Unspent<br>\$ |
|--------------------------|-----------------|--------------|-------------|--------------------|-----------------|--------------------------------------|-----------------------|--------------|--------------|--------------------------|
|                          | Actual<br>\$    | Budget<br>\$ |             |                    |                 |                                      |                       | Actual<br>\$ | Budget<br>\$ |                          |
| Loan 152 - Staff Housing | 422,067         | 420,000      | NAB         | Commercial<br>Bill | 20              | 242,988                              | 6.72%                 | 422,067      | 420,000      | 0                        |
| Loan 153 Plant Purchase  | 0               | 390,000      | N/A         | N/A                | N/A             | 0                                    | N/A                   | 0            | 390,000      | 0                        |

SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**21. INFORMATION ON BORROWINGS (Continued)**

(c) Unspent Debentures

There are no unspent debentures at 30 June 2012

(d) Overdraft

Council established an overdraft facility of \$500,000 in 2011 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2011 and 30 June 2012 was \$Nil.

SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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22. RATING INFORMATION - 2011/12 FINANCIAL YEAR

(a) Rates

| RATE TYPE                           | Rate in \$ | Number of Properties | Rateable Value \$ | Rate Revenue \$ | Interim Rates \$ | Back Rates \$ | Total Revenue \$ | Budget Rate Revenue \$ | Budget Interim Rate \$ | Budget Back Rate \$ | Budget Total Revenue \$ |
|-------------------------------------|------------|----------------------|-------------------|-----------------|------------------|---------------|------------------|------------------------|------------------------|---------------------|-------------------------|
| Differential General Rate           |            |                      |                   |                 |                  |               |                  |                        |                        |                     |                         |
| General GRV                         | 5.2076     | 1,275                | 19,799,544        | 981,950         | 64,221           | 0             | 1,046,171        | 981,950                | 0                      | 0                   | 981,950                 |
| General UV                          | 0.7582     | 457                  | 215,550,135       | 1,622,763       | (57,679)         | 378           | 1,565,462        | 1,622,763              | 0                      | 0                   | 1,622,763               |
| <b>Sub-Totals</b>                   |            | 1,732                | 235,349,679       | 2,604,713       | 6,542            | 378           | 2,611,633        | 2,604,713              | 0                      | 0                   | 2,604,713               |
| Minimum Rates                       |            |                      |                   |                 |                  |               |                  |                        |                        |                     |                         |
| General GRV                         | 440        | 1,251                | 7,441,044         | 550,440         | 0                | 0             | 550,440          | 550,440                | 0                      | 0                   | 550,440                 |
| General UV                          | 440        | 63                   | 1,114,326         | 27,720          | 0                | 0             | 27,720           | 27,720                 | 0                      | 0                   | 27,720                  |
| <b>Sub-Totals</b>                   |            | 1,314                | 8,555,370         | 578,160         | 0                | 0             | 578,160          | 578,160                | 0                      | 0                   | 578,160                 |
| Specified Area Rate (refer note 23) |            |                      |                   |                 |                  |               |                  |                        |                        |                     |                         |
| <b>Totals</b>                       |            |                      |                   |                 |                  |               | 3,189,793        |                        |                        |                     | 3,182,873               |
| Discounts (refer note 25)           |            |                      |                   |                 |                  |               |                  |                        |                        |                     |                         |
| <b>Totals</b>                       |            |                      |                   |                 |                  |               | 3,221,914        |                        |                        |                     | 3,214,743               |
|                                     |            |                      |                   |                 |                  |               | (124,956)        |                        |                        |                     | (120,000)               |
|                                     |            |                      |                   |                 |                  |               | 3,096,958        |                        |                        |                     | 3,094,743               |

**SHIRE OF NORTHAMPTON**  
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| 22. RATING INFORMATION - 2011/12 FINANCIAL YEAF                     | 2012                                | 2012                                | 2011                                 |
|---------------------------------------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| (b) Information on Surplus/(Deficit)                                | (1 July 2012<br>Carried<br>Forward) | (1 July 2011<br>Brought<br>Forward) | (30 June 2011<br>Carried<br>Forward) |
| <b>Surplus/(Deficit)</b>                                            | \$<br>(2,781)                       | \$<br>228,885                       | \$<br>30,460                         |
| <b>Comprises:</b>                                                   |                                     |                                     |                                      |
| Cash on Hand - Unrestricted                                         | 1,350                               | 1,350                               | 1,350                                |
| Cash at Bank - Municipal                                            | 402,633                             | 363,997                             | 42,034                               |
| Restricted Reserves                                                 | 1,307,486                           | 1,166,299                           | 1,488,262                            |
| Rates Outstanding                                                   | 293,041                             | 368,484                             | 368,484                              |
| Refuse Charge Debtors                                               | 48,495                              | 32,792                              | 32,792                               |
| Sundry Debtors                                                      | 275,030                             | 916,595                             | 916,595                              |
| Emergency Services Levy                                             | 32,903                              | 31,104                              | 31,104                               |
| Provision for Doubtful Debts                                        | (4,730)                             | (4,730) *                           | 0                                    |
| Accrued Income / Prepaid Exp                                        | 13,828                              | 0                                   | 0                                    |
| Inventories                                                         |                                     |                                     |                                      |
| - Fuel and Materials                                                | 9,686                               | 6,078                               | 6,078                                |
| <b>Less:</b>                                                        |                                     |                                     |                                      |
| Reserves - Restricted Cash (Note 11)                                | (1,307,486)                         | (1,166,299)                         | (1,166,299)                          |
| Sundry Creditors                                                    | (585,328)                           | (1,074,895)                         | (1,074,895)                          |
| GST Payable                                                         | (425,363)                           | (354,381)                           | (354,381)                            |
| Accrued Interest on Debentures                                      | (7,661)                             | (10,391) *                          | 0                                    |
| Accrued Salaries & Wages                                            | (56,665)                            | (47,118) *                          | 0                                    |
| Current Employee Benefits Provision                                 | (443,836)                           | (344,145) *                         | (260,664)                            |
| Add back: Component of leave liability not<br>required to be funded | 443,836                             | 344,145 *                           | 0                                    |
| <b>Surplus/(Deficit)</b>                                            | <u>(2,781)</u>                      | <u>228,885</u>                      | <u>30,460</u>                        |

The difference between the Surplus/(Deficit) 1 July 2011 Brought Forward position used in the 2012 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2011 audited financial report is \$198,425. This difference is due to a change in methodology for the calculation of the surplus/deficit position. An \* has been placed adjacent to the items that have changed due to the change in methodology.

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**23. SPECIFIED AREA RATE - 2011/12 FINANCIAL YEAR**

|                                  | Rate in<br>\$ | Basis<br>of<br>Rate | Rateable<br>Value<br>\$ | Rate<br>Revenue<br>\$ | Budget<br>Rate<br>Revenue<br>\$ | Applied<br>to Costs<br>\$ | Budget<br>Applied<br>to Costs<br>\$ |
|----------------------------------|---------------|---------------------|-------------------------|-----------------------|---------------------------------|---------------------------|-------------------------------------|
| <b>Kalbarri Tourism</b>          |               |                     |                         |                       |                                 |                           |                                     |
| - Rate                           | 0.1030        | GRV                 | 20,239,855              | 20,075                | 20,000                          | 20075                     | 20000                               |
| - Interim Rate                   |               |                     |                         | 168                   | 0                               | 168                       | 0                                   |
| - Back Rate                      |               |                     |                         | 0                     | 0                               | 0                         | 0                                   |
| <b>Port Gregory Water Supply</b> |               |                     |                         |                       |                                 |                           |                                     |
| - Rate                           | 2.6350        | GRV                 | 331,500                 | 11,878                | 11,870                          | 11878                     | 11870                               |
| - Interim Rate                   |               |                     |                         | 0                     | 0                               | 0                         | 0                                   |
| - Back Rate                      |               |                     |                         | 0                     | 0                               | 0                         | 0                                   |
|                                  |               |                     |                         | 32,121                | 31,870                          | 32,121                    | 31,870                              |

The Kalbarri Tourism Specified Area Rate is to be used for tourism infrastructure related projects and tourism promotional advertising for the Kalbarri Ward. In 2011/12 the funding was fully expended on the Kalbarri Disabled Fishing Platform.

The Port Gregory Water Supply Specified Area Rate is used to fund the operating cost of maintaining the water supply at Port Gregory. The amount raised is based on the expenditure of the previous financial year, therefore the funds are always fully expended.

**24. SERVICE CHARGES - 2011/12 FINANCIAL YEAR**

Council did not impose a service charge during 2011/12.

**SHIRE OF NORTHAMPTON**  
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**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS**  
**- 2011/12 FINANCIAL YEAR**

|               | Type     | Disc % | Total Cost/<br>Value<br>\$ | Budget Cost/<br>Value<br>\$ |
|---------------|----------|--------|----------------------------|-----------------------------|
| General Rates | Discount | 6.00%  | 124,956                    | 120,000                     |
|               |          |        | 124,956                    | 120,000                     |

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

**26. INTEREST CHARGES AND INSTALMENTS - 2011/12 FINANCIAL YEAR**

|                              | Interest Rate<br>% | Admin. Charge<br>\$ | Revenue<br>\$ | Budgeted Revenue<br>\$ |
|------------------------------|--------------------|---------------------|---------------|------------------------|
| Interest on Unpaid Rates     | 10.00%             |                     | 45,317        | 18,000                 |
| Interest on Instalments Plan | 5.00%              |                     | 8,251         | 12,000                 |
| Charges on Instalment Plan   |                    | 5                   | 53,568        | 30,000                 |
|                              |                    |                     | 6,735         | 5,000                  |
|                              |                    |                     | 60,303        | 35,000                 |

Ratepayers had the option of paying rates in four equal instalments, due on 3rd October 2011, 5th December 2011, 6th February 2012 and 9th April 2012. Administration charges and interest applied for the final three instalments.

| <b>27. FEES &amp; CHARGES</b> | <b>2012</b><br>\$ | <b>2011</b><br>\$ |
|-------------------------------|-------------------|-------------------|
| Governance                    | 11,356            | 13,251            |
| General Purpose Funding       | 9,197             | 11,590            |
| Law, Order, Public Safety     | 49,897            | 8,921             |
| Health                        | 17,762            | 37,761            |
| Education and Welfare         | 53,173            | 54,568            |
| Housing                       | 17,923            | 15,260            |
| Community Amenities           | 905,809           | 893,396           |
| Recreation and Culture        | 16,895            | 19,045            |
| Transport                     | 8,426             | 17,182            |
| Economic Services             | 89,365            | 90,064            |
| Other Property and Services   | 69,373            | 36,669            |
|                               | <u>1,249,176</u>  | <u>1,197,707</u>  |

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

**SHIRE OF NORTHAMPTON**  
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**28. GRANT REVENUE**

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

|                                                   | 2012             | 2011             |
|---------------------------------------------------|------------------|------------------|
|                                                   | \$               | \$               |
| <b>By Nature and Type:</b>                        |                  |                  |
| Operating Grants, Subsidies and Contributions     | 2,121,894        | 1,301,402        |
| Non-Operating Grants, Subsidies and Contributions | 3,197,496        | 1,104,273        |
|                                                   | <u>5,319,390</u> | <u>2,405,675</u> |
| <b>By Program:</b>                                |                  |                  |
| Governance                                        | 18,430           | 0                |
| General Purpose Funding                           | 1,621,680        | 1,153,163        |
| Law, Order, Public Safety                         | 121,770          | 74,373           |
| Health                                            | 16,195           | (12,772)         |
| Education and Welfare                             | 454              | 30,000           |
| Housing                                           | 0                | 0                |
| Community Amenities                               | 15,266           | 0                |
| Recreation and Culture                            | 1,757,362        | 847,965          |
| Transport                                         | 1,631,805        | 312,946          |
| Economic Services                                 | 7,529            | 0                |
| Other Property and Services                       | 128,899          | 0                |
|                                                   | <u>5,319,390</u> | <u>2,405,675</u> |

**29. ELECTED MEMBERS REMUNERATION**

The following fees, expenses and allowances were paid to council members and/or the president.

|                              | 2012          | 2012          | 2011          |
|------------------------------|---------------|---------------|---------------|
|                              | \$            | Budget        | \$            |
|                              |               | \$            |               |
| Meeting Fees                 | 17,570        | 17,640        | 20,300        |
| President's Allowance        | 10,000        | 10,000        | 10,000        |
| Deputy President's Allowance | 1,000         | 1,000         | 1,000         |
| Travelling Expenses          | 5,683         | 9,300         | 7,343         |
| Telecommunications Allowance | 1,350         | 1,500         | 1,500         |
|                              | <u>35,603</u> | <u>39,440</u> | <u>40,143</u> |

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

|  | 2012      | 2011      |
|--|-----------|-----------|
|  | <u>36</u> | <u>34</u> |

SHIRE OF NORTHAMPTON  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2012

31. MAJOR LAND TRANSACTIONS

Horrocks Residential Subdivision Stage 2

(a) Details

Land owned freehold by the Shire was subdivided and sold at auction in July 2008.

(b) Current year transactions

As all lots have now been sold, there are no anticipated future cash flows in relation to this subdivision.

(c) Liabilities as at 30 June 2012

|                                   |         |
|-----------------------------------|---------|
| Provision for GST on Sale of Land | 418,117 |
|-----------------------------------|---------|

"Old School" Residential Subdivision - Northampton

(a) Details

The Shire has undertaken the development of the "Old School" site for residential housing.

|                               | 2012<br>\$ | 2012<br>Budget<br>\$ | 2011<br>\$ |
|-------------------------------|------------|----------------------|------------|
| (b) Current year transactions |            |                      |            |
| <b>Operating Revenue</b>      |            |                      |            |
| - Loss on sale*               | (10,547)   | 0                    | 0          |
| <b>Capital Revenue</b>        |            |                      |            |
| - Sale Proceeds               | 72,727     | 0                    | 0          |
| <b>Capital Expenditure</b>    |            |                      |            |
| - Purchase of Land            | 0          | 0                    | 0          |
| - Development Costs - 2010    | 51,608     | 0                    | 51,608     |
| - Development Costs - 2011    | 399,480    | 0                    | 399,480    |
| - Development Costs - 2012    | 215,108    | 210,879              | 0          |
|                               | 666,196    | 210,879              | 451,088    |

**SHIRE OF NORTHAMPTON**  
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**31. MAJOR LAND TRANSACTIONS (CONTINUED)**

**"Old School" Residential Subdivision - Northampton**

The above capital expenditure is included in land held for resale (refer Note 5). The subdivision is made up of 8 lots of which one has been sold leaving 7/8ths of the capital cost remaining as land held for resale.

\* A loss has been made on the sale of the lots, however the development cost includes \$41,029 of Council's internal costs including wage, labour and plant overheads.

(c) Liabilities as at 30 June 2012

Provision for GST on Sale of Land 7,273

(d) Expected Future Cash Flows

|                       | 2013                  | 2014            | 2015            | 2016            | 2017            | Total                 |
|-----------------------|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
|                       | \$                    | \$              | \$              | \$              | \$              | \$                    |
| <b>Cash Outflows</b>  |                       |                 |                 |                 |                 |                       |
| - Development Costs   | 0                     | 0               | 0               | 0               | 0               | 0                     |
| - GST Payable         | (46,363)              | 0               | 0               | 0               | 0               | (46,363)              |
|                       | <u>(46,363)</u>       | <u>0</u>        | <u>0</u>        | <u>0</u>        | <u>0</u>        | <u>(46,363)</u>       |
| <b>Cash Inflows</b>   |                       |                 |                 |                 |                 |                       |
| - Loan Proceeds       |                       |                 |                 |                 |                 | 0                     |
| - Sale Proceeds       | 510,000               | 0               | 0               | 0               | 0               | 510,000               |
|                       | <u>510,000</u>        | <u>0</u>        | <u>0</u>        | <u>0</u>        | <u>0</u>        | <u>510,000</u>        |
| <b>Net Cash Flows</b> | <u><u>463,637</u></u> | <u><u>0</u></u> | <u><u>0</u></u> | <u><u>0</u></u> | <u><u>0</u></u> | <u><u>463,637</u></u> |

Note: The cash inflows in 2013 were not included in the 2012/13 budget as at the time of preparing the 2012/13 budget it was expected the remaining lots would be sold prior to 30 June 2012.

**32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council did not participate in any trading undertakings or major trading undertakings during the 2011/12 financial year.

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**33. 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:

|                              | Carrying Value   |                  | Fair Value       |                  |
|------------------------------|------------------|------------------|------------------|------------------|
|                              | 2012             | 2011             | 2012             | 2011             |
|                              | \$               | \$               | \$               | \$               |
| <b>Financial Assets</b>      |                  |                  |                  |                  |
| Cash and cash equivalents    | 1,711,469        | 1,531,646        | 1,711,469        | 1,531,646        |
| Receivables                  | 1,151,772        | 1,414,150        | 1,151,772        | 1,414,150        |
|                              | <u>2,863,241</u> | <u>2,945,796</u> | <u>2,863,241</u> | <u>2,945,796</u> |
| <b>Financial Liabilities</b> |                  |                  |                  |                  |
| Payables                     | 1,075,017        | 1,486,785        | 1,075,017        | 1,486,785        |
| Borrowings                   | 1,115,169        | 868,751          | 991,109          | 794,236          |
|                              | <u>2,190,186</u> | <u>2,355,536</u> | <u>2,066,126</u> | <u>2,281,021</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.

**SHIRE OF NORTHAMPTON  
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**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(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 with the assistance of independent advisers (where applicable). 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. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

|                                                                        | 2012   | 2011   |
|------------------------------------------------------------------------|--------|--------|
|                                                                        | \$     | \$     |
| Impact of a 1% (*) movement in interest rates on cash and investments: |        |        |
| - Equity                                                               | 17,115 | 15,316 |
| - Statement of Comprehensive Income                                    | 17,115 | 15,316 |

**Notes:**

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

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

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2012**

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Receivables**

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

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

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

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

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

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

|                                        | <b>2012</b> | <b>2011</b> |
|----------------------------------------|-------------|-------------|
| Percentage of Rates and Annual Charges |             |             |
| - Current                              | 0.00%       | 0.00%       |
| - Overdue                              | 100.00%     | 100.00%     |
| Percentage of Other Receivables        |             |             |
| - Current                              | 31.00%      | 91.88%      |
| - Overdue                              | 69.00%      | 8.12%       |

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33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables  
 Borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. 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:

|            | 2012                 | 2011                       |                      |                                 |                    |
|------------|----------------------|----------------------------|----------------------|---------------------------------|--------------------|
|            | Due within 1 year \$ | Due between 1 & 5 years \$ | Due after 5 years \$ | Total contractual cash flows \$ | Carrying values \$ |
| Payables   | 1,075,017            | 0                          | 0                    | 1,075,017                       | 1,075,017          |
| Borrowings | 223,980              | 521,430                    | 757,829              | 1,503,239                       | 1,115,169          |
|            | <u>1,298,997</u>     | <u>521,430</u>             | <u>757,829</u>       | <u>2,578,256</u>                | <u>2,190,186</u>   |
|            |                      |                            |                      |                                 |                    |
| Payables   | 1,486,785            | 0                          | 0                    | 1,486,785                       | 1,486,785          |
| Borrowings | 208,216              | 496,992                    | 340,205              | 1,045,413                       | 868,751            |
|            | <u>1,695,001</u>     | <u>496,992</u>             | <u>340,205</u>       | <u>2,532,198</u>                | <u>2,355,536</u>   |

SHIRE OF NORTHAMPTON  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2012

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables  
 Borrowings (Continued)

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

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

|  | <1 year | >1<2 years | >2<3 years | >3<4 years | >4<5 years | >5 years | Total | Weighted<br>Average<br>Effective<br>Interest Rate<br>% |
|--|---------|------------|------------|------------|------------|----------|-------|--------------------------------------------------------|
|  | \$      | \$         | \$         | \$         | \$         | \$       | \$    |                                                        |

Year Ended 30 June 2012

|                                             |       |         |       |       |        |         |           |       |
|---------------------------------------------|-------|---------|-------|-------|--------|---------|-----------|-------|
| Payables                                    |       |         |       |       |        |         |           |       |
| Borrowings                                  |       |         |       |       |        |         |           |       |
| <b>Fixed Rate</b>                           |       |         |       |       |        |         |           |       |
| Debentures                                  | 0     | 315,680 | 0     | 0     | 14,677 | 784,812 | 1,115,169 | 8.03% |
| Weighted Average<br>Effective Interest Rate | 0.00% | 5.04%   | 0.00% | 0.00% | 6.40%  | 9.24%   |           |       |

Year Ended 30 June 2011

|                                             |        |       |         |       |       |         |         |       |
|---------------------------------------------|--------|-------|---------|-------|-------|---------|---------|-------|
| Payables                                    |        |       |         |       |       |         |         |       |
| Borrowings                                  |        |       |         |       |       |         |         |       |
| <b>Fixed Rate</b>                           |        |       |         |       |       |         |         |       |
| Debentures                                  | 35,073 | 0     | 406,626 | 0     | 0     | 427,052 | 868,751 | 6.16% |
| Weighted Average<br>Effective Interest Rate | 6.49%  | 0.00% | 5.09%   | 0.00% | 0.00% | 7.14%   |         |       |

**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF NORTHAMPTON**

***Report on the Financial Report***

We have audited the accompanying financial report of the Shire of Northampton, which comprises the statement of financial position as at 30 June 2012, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

***Management's Responsibility for the Financial Report***

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

***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 about 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 judgement, 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 Shire's preparation of the financial report that gives a true and fair view 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 Shire's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial report.

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

***Auditor's Opinion***

In our opinion, the financial report of the Shire of Northampton 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 2012 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF NORTHAMPTON (Continued)**

*Report on Other Legal and Regulatory Requirements*

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

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

  
UHY HAINES NORTON  
CHARTERED ACCOUNTANTS

Date: 22 November 2012  
Perth, WA

  
GREG GODWIN  
PARTNER