



SHIRE OF WYNDHAM | EAST KIMBERLEY

ANNUAL REPORT

2012

2011

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INTRODUCTION

The Shire of Wyndham East Kimberley operates under the provisions of the Local Government Act 1995 (as amended) and associated regulations and is the statutory organisation responsible to the ratepayers and residents within the Shire.

Shire of Wyndham East Kimberley

PO Box 614
Kununurra WA 6743

Email: mail@swek.wa.gov.au
Website: www.swek.wa.gov.au

Shire Offices and Chambers

Kununurra Office

115 Coolibah Drive
Kununurra WA 6743
Ph (08) 9168 4100
Fax (08) 9168 1798

Wyndham Office

Koolama Street
Wyndham WA 6740
Ph (08) 9161 1002
Fax (08) 9161 1295

Office Hours: 8:00am - 4:00pm Monday to Friday

Ordinary Council Meetings occur every third Tuesday of each month and are open to the public. Public notices are distributed to inform the people of our community of the location and date for Council Meetings.

Shire Statistics

Distance from Perth: 3,215 (km)
Area: 121,189 (square km)
Length of sealed roads: 481 (km)
Length of unsealed roads: 1469 (km)
Population: 7,799 (Australian Bureau of Statistics)
Number of Electors: 3,599
Total number of Full Time Employees (FTE's): 111

Suburbs and Localities

Wyndham, Kununurra (including Hidden Valley, Lakeside Park, Weaber Plain Road, Packsaddle Road, River Farm Road, and Crossing Falls), Lake Argyle, and Kalumburu.

Significant Local Events

Ord Valley Muster, Racing the Planet, Lake Argyle Swim, Kununurra Agricultural Show, Kimberley Writers Festival, Kununurra Rodeo, Kununurra and Wyndham Races, Stars on the Bastion, and Dam-Dam Dingy Dash.

Local Industry

Tourism, agriculture, irrigation, melons, mangoes, pumpkins, sandalwood, cattle, mining, aquaculture and Wyndham Port facilities.

Tourist Attractions

Carboyd Ranges, Celebrity Tree Park, Cockburn Ranges, Drysdale River National Park, Emma Gorge, Five Rivers Lookout (the Bastion), Gibb River Road, The Grotto, Ivanhoe Crossing, Kelly's Knob, Kununurra Diversion Dam/Lake Kununurra, Lake Argyle, Lily Lagoons, Mirima National Park, Mitchell Plateau, Ord River Irrigation Area, Ord River, Parry's Lagoon Nature Reserve, Pentecost River, Ragged Range, Wyndham Community Fishing Jetty, Zebedee Springs.

SHIRE PRESIDENT'S REPORT



The Shire of Wyndham East Kimberley has over the last 12 months continued to develop and grow and I am pleased to present the 2011/12 annual report.

It has been an extremely interesting year, with the completion of many projects under the East Kimberley Development Package and major progress made on the Ord East Kimberley Expansion project. The economy has continued to grow strongly and some East Kimberley major developments within the townships are underway or nearing completion.

The Shire has delivered two major projects during the financial year with the East Kimberley Regional Airport expansion completed and opened by the Special Minister of State Mr Gary Gray and Regional Development Minister Mr Brendon Grylls. Anthon's Landing in Wyndham has been another great project delivered by the Shire this year along with the M1 Flood Mitigation project.

Council is committed to strong strategic planning and the State Governments Integrated Planning and Reporting Framework Process is strongly supported by our Council. We commenced the first part of this with the 2012 – 2022 Strategic Community Plan. Council used a number of different forums to seek feedback on what residents think the Shire should concentrate on over the next 10 years. This work will continue with reports to Council and obtaining further community feedback on the ideas that have been presented during the many community meetings and workshops.

There are several areas which I endeavour as Shire President to improve. Community safety, closer working relationships with all indigenous communities of the East Kimberley, remote service delivery, waste management and enhancing local leadership are all important focus points.

Our Council recognises the complex issues leading to young people on the street and the need for alternative education models. Early feedback from our community is that this problem should be a key driver of Council's social agenda.

I would like to thank my fellow Councillors for their support since my election as President and look forward to working with them to continue the growth of the East Kimberley. I would like to thank our staff for the continued service improvement, delivery of capital projects and financial sustainability during the past financial year.

Regards

Councillor John Moulden

Shire President

COUNCILLORS



Cr John Moulden
Shire President
Elected 2007
Term Expires 2015



Cr Ralph Addis
Deputy Shire President
Elected 2007
Term Expires 2015



**Cr Raymond
(Spike) Dessert**
Elected 2010
Term Expires 2015



Cr Di Ausburn
Elected 2006
Term Expires 2013



Cr Jane Parker
Elected 2005
Term Expires 2013



Cr Jackie McCoy
Elected 2009
Term Expires 2013



**Cr Cissy Gore-Birch
Gault**
Elected 2011
Term Expires 2015



Cr Kenneth Torres
Elected 2008
Term Expires 2013



Cr Adele Horne
Elected 2011
Resigned June 2012

COUNCIL

Council Meetings

Council met monthly throughout the year for Ordinary Meetings of Council and scheduled three (3) Special Meetings to ensure continuity of business and governance. All Council Minutes for 2011/12 are available on the Shire's website.

Council Election – October 2011

An Ordinary Election was held on Saturday 15 October 2011. There were five (5) Vacancies for term of office of four (4) years. The following Councillors were elected;

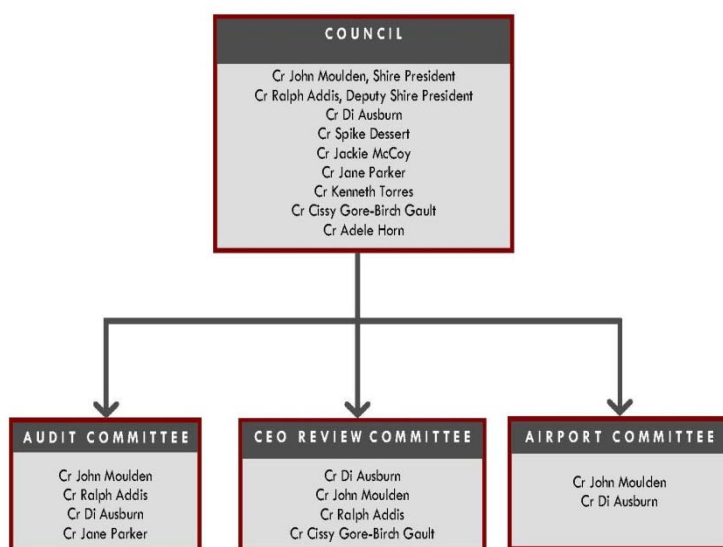
Ralph Addis
Raymond Dessert (Spike)
John Moulden
Adele Horn
Cissy Gore-Birch Gault

Council Committees

Council operated three Committees during the year. Committees have neither standing delegations nor decision making authority. Their meetings are closed to the public. Committees make recommendations to the full Council, with decisions being made by the Council.

Airport Committee

The Airport committee ceased in December 2011. Previously the function of the airport Committee was to consider and make recommendations to Council on issues relating to strategic direction and policy for the East Kimberley Regional Airport and for the Wyndham Airport.



Audit Committee

Each local government is required to have an Audit Committee to make recommendations to Council relating to the Audit function. In addition to this legislated purpose, the Audit Committee provides recommendations to Council in relation to financial management and policy.

CEO Review Committee

The CEO Review Committee undertakes the review process for the Chief Executive Officer and makes recommendations to Council on performance, key performance indicators and employment contract matters relevant to the position.

CHIEF EXECUTIVE OFFICER'S REPORT



The 2011 – 2012 financial year has achieved many milestones with the completion of major projects including the East Kimberley Regional Airport and Anthon's landing and the emphasis on achieving the capital works road infrastructure projects. The M1 Flood Mitigation project was completed and drainage survey work was commenced for the Kununurra Township. Major road works were completed on Weaber Plain Road, Weero Road, Research Station Road and Egret Close and the major works funded by the Western Australian Natural Disaster funds were completed on the Kalumburu Road and Lake Argyle Spillway Bridge.

Council maintains a strong financial position with its financial ratios under those prescribed by the Western Australian Treasury Corporation.

During the past 12 months reviews were undertaken on asset management, waste management and fleet and plant management. The outcome of these reviews will be reported to Council in the new financial year and be part of the long term financial planning process.

The State Government instituted an Integrated Planning and Reporting framework that requires Council to prepare a 10 year Strategic Community Plan which includes a Corporate Business Plan and informing strategies of a Long Term Financial Plan, Workforce Plan, Asset management plan and specific issues strategies.

The completion of the East Kimberley Regional Airport upgrade is an important step in the development of our region for both tourism and business. Passenger numbers have increased by 4.5% over the 12 month period whilst air traffic reduced by 13% over the same period.

The recruitment and retention of staff remains one of the issues faced by the region and Council continues to train and develop staff for future promotion with several senior positions filled from within the organisation. Affordable housing remains an issue for staff and Council has constructed 9 dwellings in the past 12 months through Royalties for Regions Country Local Government fund to assist with this pressure.

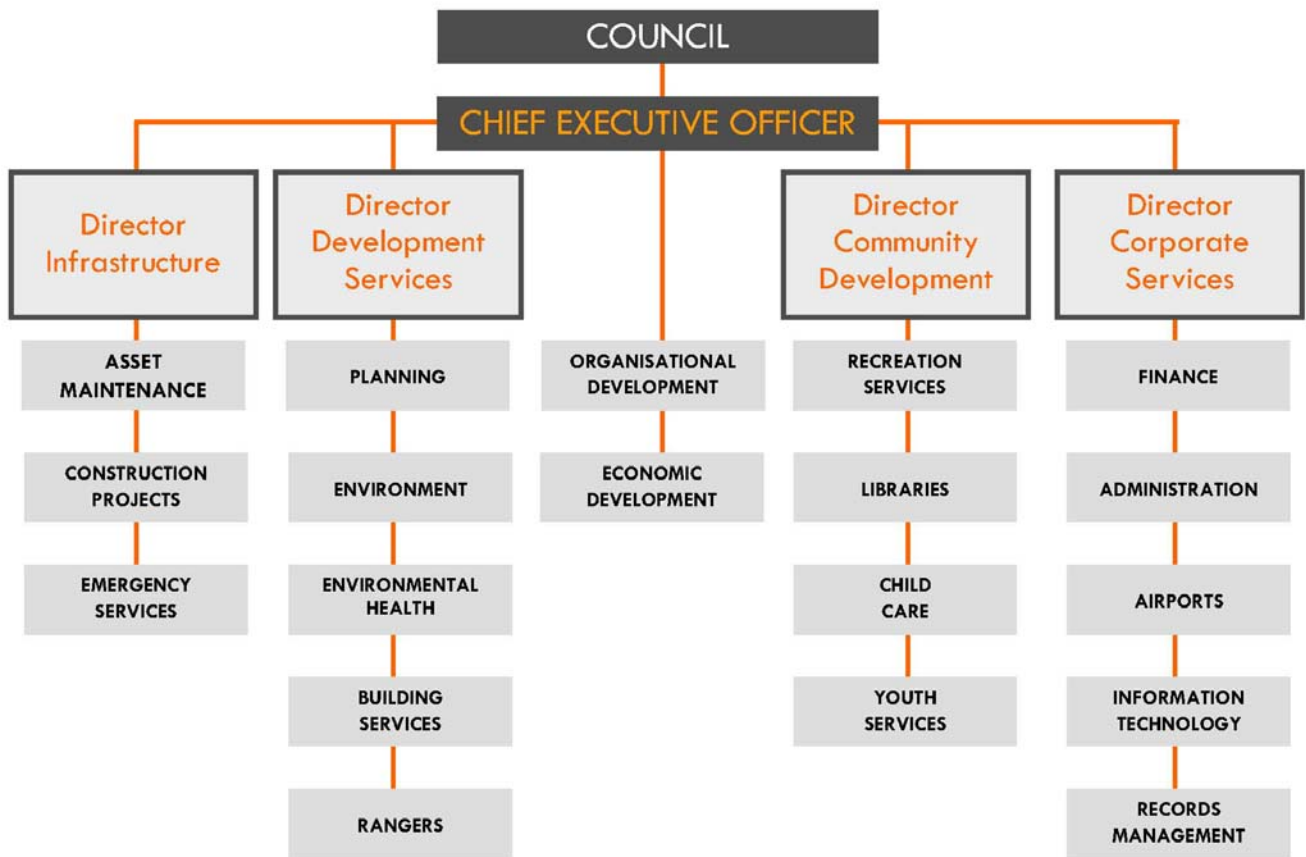
I would like to thank staff for their commitment to continually improve Council services to our community. I would also like to thank our Councillors who have embarked on the strategic journey with staff to ensure that our community is served with quality services daily and prepared for the future.

Regards

Gary Gaffney

Chief Executive Officer

ORGANISATIONAL CHART



Strategic Plan

VISION

For the Shire to be a thriving and vibrant Community with unlimited opportunities.

MISSION

To develop the Shire in a manner that will achieve the best possible social, cultural and economic outcomes for all.

COMMITMENT

Council and staff will make decisions with integrity, transparency and consistency.

Council continues to be focussed and guided by its Strategic Plan in which five key result areas are embedded.

The Key Result Areas are:

Governance

To work in a co-operative way in delivering its obligations and to communicate well with the community.

Infrastructure

To develop and maintain the Shire's infrastructure and assets to a high standard.

Community

To develop the strengths and potential of our community now and into the future.

Economic Development

To work in partnership with Government, community and industry leaders to promote and provide opportunities for economic and social growth across the Shire.

Environment

To ensure the Shire contributes to the unique environment in a sustainable and realistic manner.

Integrated Planning and Reporting Framework

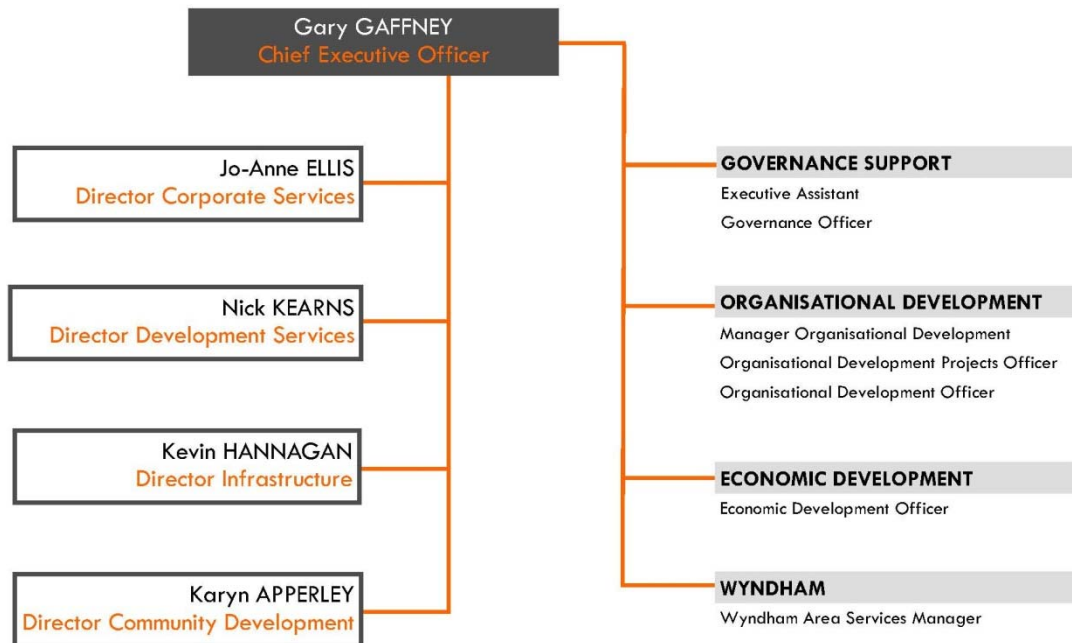
To meet the amended Local Government (Administration) Regulations 1996, a Strategic Community Plan and a Corporate Business Plan need to be completed by June 2013. The Department of Local Government has provided an Integrated Planning and Reporting Framework and Guidelines to help achieve this.

The Strategic Community Plan is a principle planning document that, using community input, establishes aspirations and priorities for local government. The Corporate Business Plan demonstrates our capacity to deliver/achieve the priorities and objectives identified in the Strategic Community Plan. The Shire's baseline Asset Management Plan, Long Term Financial Plan and Workforce Plan should inform and align with the Corporate Business Plan. Council commenced work on this plan in March 2012.

Governance Framework

Ongoing policy and procedure review occurred during the year to ensure that the governance framework of the Shire is kept relevant.

Governance



Records Management

The Shire is committed to the management of records in accordance with legislative requirements and best practice. Records are a core information resource in the Shire and sound record keeping practices contribute to the overall efficiency and effectiveness of the organisation.

The Recordkeeping Plan (RKP) describes the Shire's commitment to effective and compliant record keeping procedures. Under the State Records Act 2000, an organisation must review its plan at least every 5 years. The Shire submitted an amended RKP to the State Records Commission in June 2012 incorporating significant changes to records procedures introduced since the implementation of the new file structure in 2010. As part of this process the Shire's records storage facilities were reviewed. A refurbishment of the main facility for offsite storage of records is now underway to ensure records are adequately preserved and accessible.

Ongoing activities to ensure continued legislative compliance and effective records management include:

- Assessment of all files from the previous file structure to ensure both electronic and physical files are consistent before archiving;
- Data cleansing of names and addresses database;
- Training in the Shire's record keeping system given to all new staff as part of their induction making them aware of their roles and responsibilities in regard to their compliance with the Shire's RKP;
- Refresher training provided to all staff as required;
- Regular monitoring of records and records procedures to ensure efficiency and effectiveness of records training;
- Monitoring of outstanding records received by the Shire to ensure excellent customer service; and
- Quality assurance of complete record keeping through the monitoring and recording of all incoming and outgoing mail.

National Competition Policy

The Principles of the National Competition Policy requires local government authorities to market test activities which generate user income in excess of \$200,000. The objective of competitive neutrality is to introduce measures which effectively remove any net competitive advantages arising simply as a result of government ownership of a business entity.

The activity requiring scrutiny in this regard for the Shire is that of private works on private property; however during 2011-12 no individual private works project exceeded \$200,000. The Shire provides quotations or submits tenders in order to win private works. This process ensures the activity of private works is open to competitive market testing.

In relation to the structural review of public monopolies, the Shire discloses the following:

1. Structural review principles have not been applied to any activities during the reporting period.
2. Structural review principles have not been considered for any activities during the reporting period.

As no structural reform has been applied to any activities the review requirements of *principle SR.3 of Clause 7 of the Competition Policy Statement* have not been undertaken.

For all other activities of the Shire, opportunities are continually being examined in order to generate efficiency improvements. This must be balanced with the type and level of service provision and statutory and other regulatory measures the Shire is bound to implement.

Student Scholarships

The Shire has a policy of offering \$20,000 scholarships to local students in the fields of Town Planning, Environmental Health and Engineering, as professions which experience severe skills shortages across Australia. The scholarships include the opportunity for paid tertiary semester break work at the Shire, providing a practical learning environment, and part time work for the student/s.

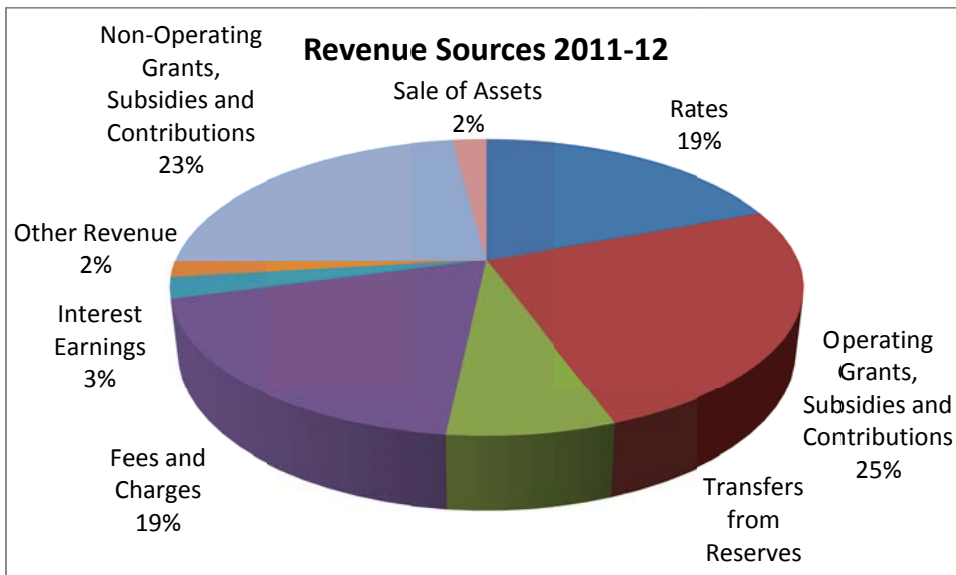
Kaarina Recklies, an Engineering and Commerce student was awarded the scholarship for 2012 and has returned to Kununurra and worked at the Shire during her study breaks.

Staff Summary

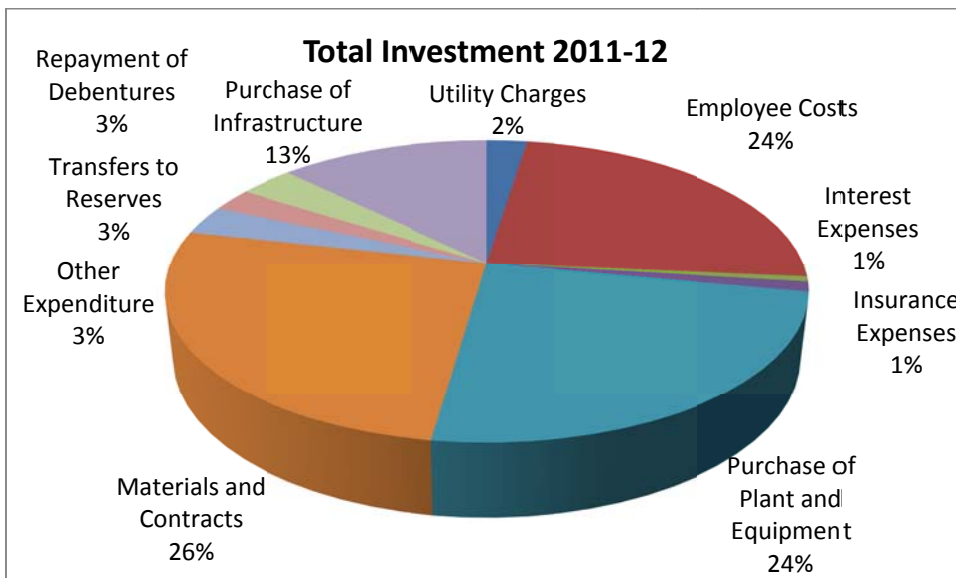
	07 / 08	08 / 09	09 / 10	10 / 11	11 / 12
Number of Full Time Staff	58	73	76	81	89
Total Number of Staff	67	100	89	105	111
% Male Staff	46%	30%	54%	54%	52%
% Female Staff	54%	70%	46%	46%	48%
% Indigenous Staff	10%	10%	9%	14%	8%
Trainees/Student placements	1	3	2	4	2
Staff Turnover	29%	28%	46%	23%	37%
% of Staff Engaged in Training	68%	71%	95%	98%	95%
% Staff Engaged in Professional Development	22%	25%	30%	30%	30%

During the 2011/2012 financial year the Shire employed additional new staff to keep up with the continuing growth of the region and to continue to provide a high level of Local Government services to the community.

Revenue Sources Diagram



Total Investment Diagram



Freedom of Information Statement

Objective

To make readily available to the public at least in accordance with the Freedom of Information Act information sought as soon as practicable.

Policy

Council will provide a general right of access to documents and records of Council in accordance with the provisions of the Freedom of Information Act 1992, The Local Government Act 1995 Section 5.94 and the Local Government Administration Regulations 1996 and the guidelines in this policy.

1. The Director Corporate Services and in that person's absence the Manager Financial Services is appointed as "FOI Co-ordinator" and "Decision Maker" and is authorised to make decisions regarding access to information.
2. The Chief Executive Officer is the "Internal Review Officer" appointed to review an application should the applicant be dissatisfied with the result.
3. Procedures for determining access, exemptions, personal information and review and the preparation of information statements shall be in accordance with the Freedom of Information implementation guidelines prepared by the Office of the Information Commissioner.
4. Council shall apply fees and charges applicable under the Act and as published in the Government gazette from time to time.

INFRASTRUCTURE

During the next 12 months we look forward to delivering high quality projects and services, meeting the challenges associated with environmental sustainability and the management and future development of the Shire's assets.

Staffing

The Infrastructure Directorate this year has undertaken a structural review and recruited staff to positions that have been vacant for some time. Difficulty in recruiting qualified Civil Engineers (mining industry competition) has now been remedied and enabled undertaking delivery of the Shires Capital Works program.

The Shire has also entered into a Deed of Agreement with Landcorp to provide a Civil Engineer to undertake surveillance and quality assurance work associated with the Goomig Farmlands project and the extension of Weaber Plains Road which will eventually be passed to the Shire for care and control.

Asset Management

The Shire adopted an Asset Management Improvement Strategy at its March 2012 Ordinary Council Meeting. The Asset Management Improvement Strategy is one of many strategic documents, which will provide direction to the organisation for future planning and resource allocation.

A significant proportion of the Shire's assets have been in existence for many years. These assets originated from a combination of Shire funded construction and from development activity within the area. A portion of these assets are nearing the end of their useful life and the cost their renewal is a financial challenge for the Shire.

The Shire Wyndham East Kimberley Asset Management Plan (AMP) main aim is to confirm the future direction of the Shire in relation to the management of assets (and services from assets), compliance with regulatory requirements and outline the future funding required to provide these assets at the required level of service. One of the main purposes of the AMP is to highlight the current gap between budgeted asset renewal expenditure and required expenditure. This shortfall will impact upon the levels of service provided to the community and needs to be addressed in order to develop the necessary funding plans to provide the appropriate levels of service.

The first draft of the Asset Management Plan will be considered by Council in the 2012/13 year with further work required undertaking condition assessment of assets to provide information to determine priorities for future budgets.

Waste Management Strategy

The Shire's two existing landfill sites in Kununurra and Wyndham are reaching the end of their useful life due to the lack of available void space at the Kununurra Disposal Site and

furthermore, license breaches have occurred in relation to proximity to a floodplain and the volume of tyres stored at the site, and the Wyndham Landfill Site which is unlicensed and uncontrolled disposal is common.

The Shire recognises that current waste management practices within the region are not sustainable and is endeavouring to improve waste management strategies by improving waste services delivery and implementing sustainable waste management options in the future. The Shire will be considering a Waste Management Strategy in late 2012 calendar year giving a 25 year direction for waste services.

Projects

With Civil Engineering positions filled the Shire undertook several years of back logged projects:

Community Jetty at Anthon's Landing

The community jetty at Anthon's Landing was a \$7m project delivered by Maritime Constructions and project managed by the Shire. The Jetty has to cope with cyclones, saltwater crocodiles, currents of 5 knots and a 9 metre tidal range. The Jetty is 108 metres long and 4.5 metres wide with an increased 9 metre width to allow small vehicles turning space at the end of the jetty.

The deck is built with pre cast, reinforced concrete panels and is supported by steel longitudinal and cross beams resting on 660 millimetre steel piles which are 42 metres long. The Jetty is designed to have a 1 metre clearance at high tide.

From the end of the jetty there is a hinged gangway 45 metres long and 1.4 metres wide and connects to a floating landing platform which is 36 metres long and 7 metres wide. The gangway has a maximum 1:8 gradient for 96% of the tidal range, making it the closest a gangway with 8+ metre tidal range has come to conformity at all tides for AS 3692:2001 – quite an accomplishment by world standards. Disabled persons requiring assisted wheelchair access should have a slope on a gangway that does not exceed 1 in 8.

The pontoon landing platform is designed with a “hull” shape to reduce the drag during high current events and to reduce debris mat formation. Back on the land side there is a concrete approach 6 metre long slab and rock revetment for flood protection.

The Jetty was opened in February 2012.



WANDRRA

The Kalumburu Road and Lake Argyle Spillway Bridge sustained major damage during March 2011 floods. Remediation work has been carried out on affected sections of the road. The Shire has secured National Disaster funding under the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA), for employment of a Civil Engineer to manage repair of essential public assets (e.g., the road network and bridge abutment) and clean-up activities, directly related to the heavy rainfall and flood event of March 2011.

Kneebone Creek before and after photos.



Kununurra Link Path Solar Lights

Three more solar lights were installed on the link path to complete solar lighting of the walking pathway.



Celebrity Tree Park Playground

Work commenced in October 2011 and the playground equipment was installed February of this year with furniture and signage installed prior to April 2012.

Celebrity Tree Park Playground was made possible with funding from Shire of Wyndham East Kimberley, Royalties for Regions and Lotterywest. Council acknowledges valuable input from members of the community. The park was officially opened by Rotary and community members on Sunday 9 September 2012.



Weaber Plains Road

The most degraded and deformed section of Weaber Plains Road was upgraded as it reached the point of ponding water posing an unacceptable risk to traffic.

2.7km of drain clearing and 1.78km x 150mm loose overlay followed by 200mm cement stabilised and compacted and a 14/10 two coat seal. White line delineation is programmed for installation in October 2012.

Research Station Road

There were two sections of road works carried out on Research Station Road.

The first section was between Farm Hill Road and Oorui Road which constituted reforming and reconstruction with a 14/10mm two coat seal. This provided residents in this area an increased level of access and less dust.

The second was a 650m section 700m from the intersection of Stock Route Road. This work consisted of a gravel overlay 150mm loose, cement stabilisation 200mm deep, compacted and a 14/10mm two coat seal 10m wide.

White lines are programed for installation in October 2012.



Egret Close

This work consisted of a full 960m reconstruction including gravel overlay, Culvert extension and cement stabilisation. A 14/10mm two coat seal 6.4m wide and the installation of guide posts were also completed.

Weero Road

This project completed the sealed road into the Valentines Falls Estate.

It consisted of reforming and a 280mm base course, compacted and a 14/10 two coat seal. The replacement of the culverts at the Chamberlain Drive intersection was also required as well as the installation of driveways and culverts.

Packsaddle Road

Packsaddle Road was made up of various components in differing sections consisting of shoulder maintenance, shoulder reconstruction, crack patching, seal edge re-instatement and a partial reseal.

Work is continuing in to the 12/13 Financial Year. The goal is to bring the road up to an acceptable standard and preserve the road until funds can be identified for a dedicated reseal program.

Gardenia Drive

There were two phases to this project the first required the replacement of 350m of kerbing on the drain side and the second phase was a 350m, 7mm reseal on Gardenia Drive between Hibiscus and Casuarina Drive.

Leichhardt Street Parking at Whitegum / Warlarring Park

This job transformed parallel parking to angle parking which increases capacity easing the peak on Saturday morning Markets traffic.



D2 Drain Widening / M1

Work has continued on completing the widening of the D2 Drain and rock beaching of the M1 Syphon.



Lake Kununurra Foreshore Walking Trail

The Lake Kununurra Foreshore Walking Trail was a joint project between Lotterywest and the Shire of Wyndham East Kimberley to benefit community members by providing increased access to the foreshore and the natural environment.

The overall project was to construct a recreational nature trail along the Lake Kununurra Foreshore from the Pump House Restaurant to the Diversion Dam and Swim Beach. This project when completed in June 30 2012 as Stage 1 of a larger trail network around Lake Kununurra and Lily Creek Lagoon.

The trail can accommodate a range of recreational opportunities including walking, cycling, walking, running with/without prams and/or pets.

The project was developed to enhance the environment through improved weed management and has the ability to serve additional functions such as access to fight foreshore fires and act as a fire break.



Messmate Way Roundabout

Was not constructed this year as the design was reviewed to comply with new Australian Standards for larger vehicle access. This has also increased the cost to build and the Shire has been successful in gaining two thirds Regional Road Group funding to complete the project in 2013.

Cato Court Wyndham

Remedial works were undertaken to try and alleviate stormwater flooding. These works will be reviewed during the 2012 wet season as further works may need to be programmed to further alleviate the problem.

Drainage / Parking, Picture Gardens / Coolibah Street

Design was completed to cover the existing swale drains and establish car parking. Works are expected to be completed late 2012.

Stormwater Management Plan

The Shire engaged GH&D P/L to undertake a drainage feature survey and stormwater management plan for the industrial and older residential sections of Kununurra. Stormwater management was not appropriately planned for during the town's development and as such these locations are subject to inundation during the wet season. The plan will better define water flows and propose remediation programs for the future. The plan is expected to be completed in 2012-13.

Victoria Highway, Kununurra, Drainage Upgrade

In consultation with Main Roads WA the scope and design for this project was amended to provide additional drainage under the highway near Prunossa Street. This will provide better drainage opportunity from the adjacent industrial area. The new design has increased costs to build and the Shire has been successful in gaining additional funds from the Regional Roads Group for the project which is expected to be built before the 2012 wet season.

New Kununurra Oval

Stage 1 to establish a new sporting oval off the Victoria Highway near Lakeside was abandoned as agreement could not be reached with the traditional land owners on an Indigenous Land Use Agreement over the native title land component. The Shire has returned the Federal Government funds for Stage 1.

Wyndham Depot Upgrade

The Wyndham Works Depot has had a major tidy-up and new facilities including caretakers residence, new lunchroom and staff facilities, demolished and upgraded storage facilities, new wash down bay, improved fencing security, signage and landscaping.



Plant Upgrades

The contract for Verge and Rural Slashing expired in June 2011. The Shire brought in house the verge and rural slashing work. The purchase of new plant equipment in late 2011 increased the Shires capacity to do this by improving productivity using larger equipment replacing existing smaller equipment.



2011/12 Airport Operations Review

The aviation industry is essential to the East Kimberley region, providing services to the transport, mining, tourist, healthcare and agricultural industry to name a few. East Kimberley Regional Airport (EKRA) and Wyndham Airport is key infrastructure maintained and managed by the Shire.

Administration

Airport and Corporate Services staff continue to ensure the Airports are managed in a financially responsible and sustainable manner, as well as reporting and meeting all regulatory and compliance issues.

The EKRA Terminal Upgrade was completed in October 2012. EKRA Terminal is now arguably the most modern and comfortable airport terminal in Regional Australia. Corporate Service staff have been busy fitting out the terminal with new furniture, security screening equipment, flight information displays and other new systems found in modern airport terminals today.

With completion of the terminal, work has carried on with the refurbishing the Old Flight Services Building as it was known. To be called the Airport Services Building it will contain Shire records, airport and commercial office space.

A grant through the Kimberley Development Commission was secured to assist in the construction of headworks for a new airside lot on Laine Jones Drive.

Implementation and development of Airport Security and Safety programs at EKRA and Wyndham Airports have continued through 2011/12. Progress is underway for the Security and Cleaning Operations to be conducted in-house with a view to provide additional services, cost efficiencies, service quality and professionalism.

The Shire has commissioned Rehbien Airport Consulting to prepare an Airport Master Plan for EKRA . The Master Plan will provide a strategic framework for the future development of the airport over the next 10 to 25 years. Rehbien will consult with key stakeholders in producing the plan for adoption by Council by mid-2012.

Compliances Achieved

- Aerodrome Management Services - Aerodrome Safety Inspection Wyndham and Kununurra Airport Aerodrome Technical Inspection, March 2012
- Department of Infrastructure and Transport – Annual Security Audit, June 2012.

Operations

The completion of the Terminal has kept staff very busy with new systems, equipment and procedures to absorb. An organisational restructure and additional staff appointments have enable maintenance to continue unaffected despite the many changes involved with the new terminal. Key works completed included;

- A reseal and enrichment of the Runway 12/30 surface and enrichment of Taxiway's Foxtrot/Golf surfaces, EKRA.
- Security fence upgraded to the East of the Terminal, EKRA.
- Slashing and clearing of secondary areas, EKRA.

- Installation and commissioning of two standalone solar obstacle beacons on Twin Peak Hills, Wyndham.

Airline Operations

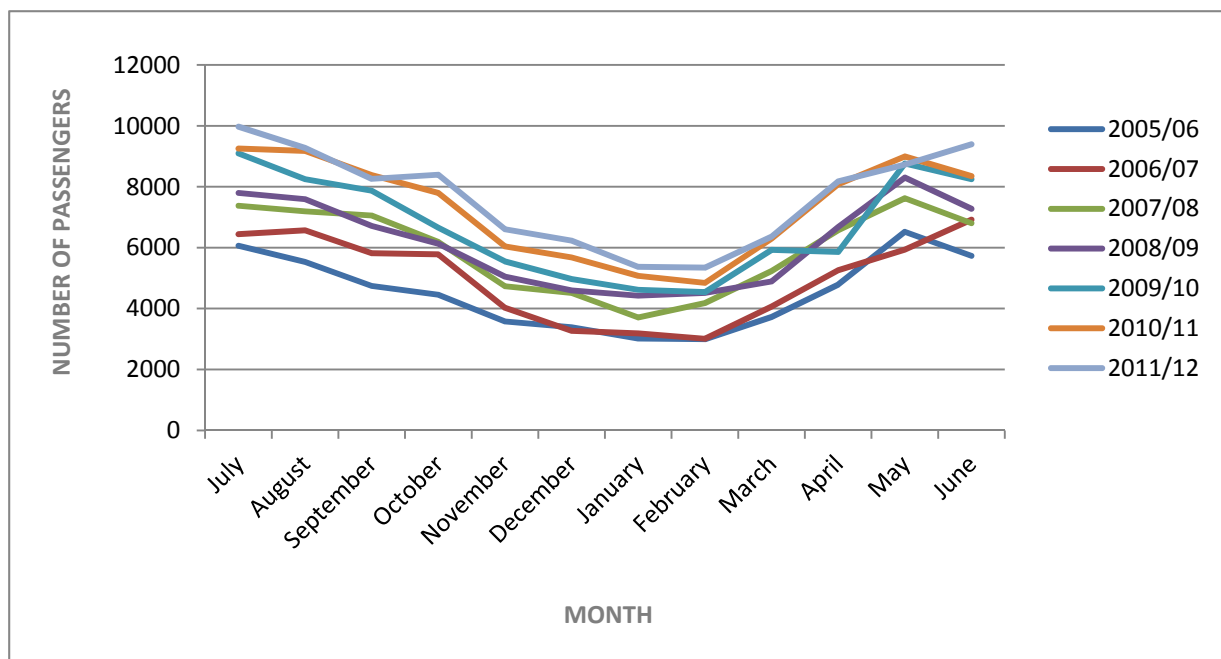
Skywest and Airnorth services remained at the same levels as 2010/11.

Airnorth were successful in bidding for the Argyle Diamond service formerly operated by Slingair. A 30 seat Embraer Brasilia aircraft is based at the terminal and operates services to Argyle on weekdays.

Local charter operator Alligator Airways went into administration in June 2012 after CASA grounded the company's aircraft as a result of a series of aircraft incidents and maintenance breach's.

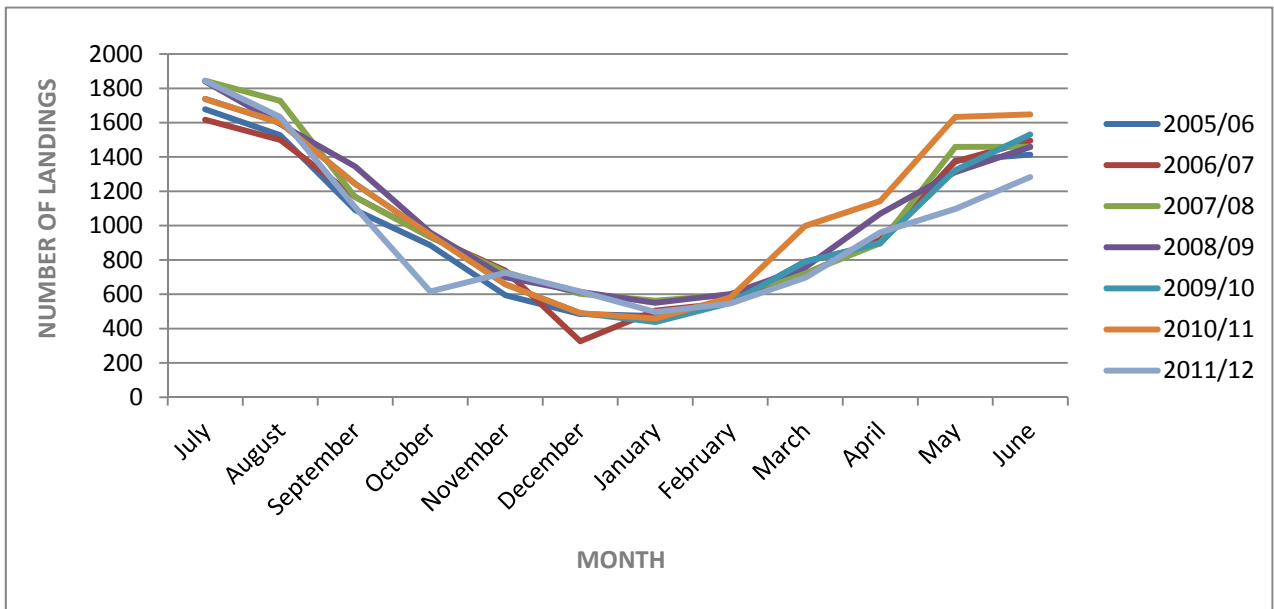
Passenger Movements at East Kimberley Regional Airport

MONTH	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
JULY	6,442	7,379	7,795	9,094	9,254	9973
AUGUST	6,566	7,193	7,590	8,247	9,174	9272
SEPTEMBER	5,818	7,059	6,713	7,872	8,384	8258
OCTOBER	5,780	6,188	6,132	6,655	7,797	8395
NOVEMBER	4,021	4,734	5,050	5,550	6,040	6605
DECEMBER	3,265	4,514	4,595	4,970	5,677	6231
JANUARY	3,182	3,709	4,421	4,617	5,075	5367
FEBRUARY	3,010	4,182	4,515	4,540	4,844	5342
MARCH	4,065	5,230	4,890	5,924	6,295	6364
APRIL	5,260	6,574	6,679	5,858	8,082	8176
MAY	5,939	7,624	8,302	8,763	8,997	8727
JUNE	6,920	6,803	7,276	8,251	8,351	9393
TOTAL	60,268	71,189	73,958	80,341	87,970	92,103



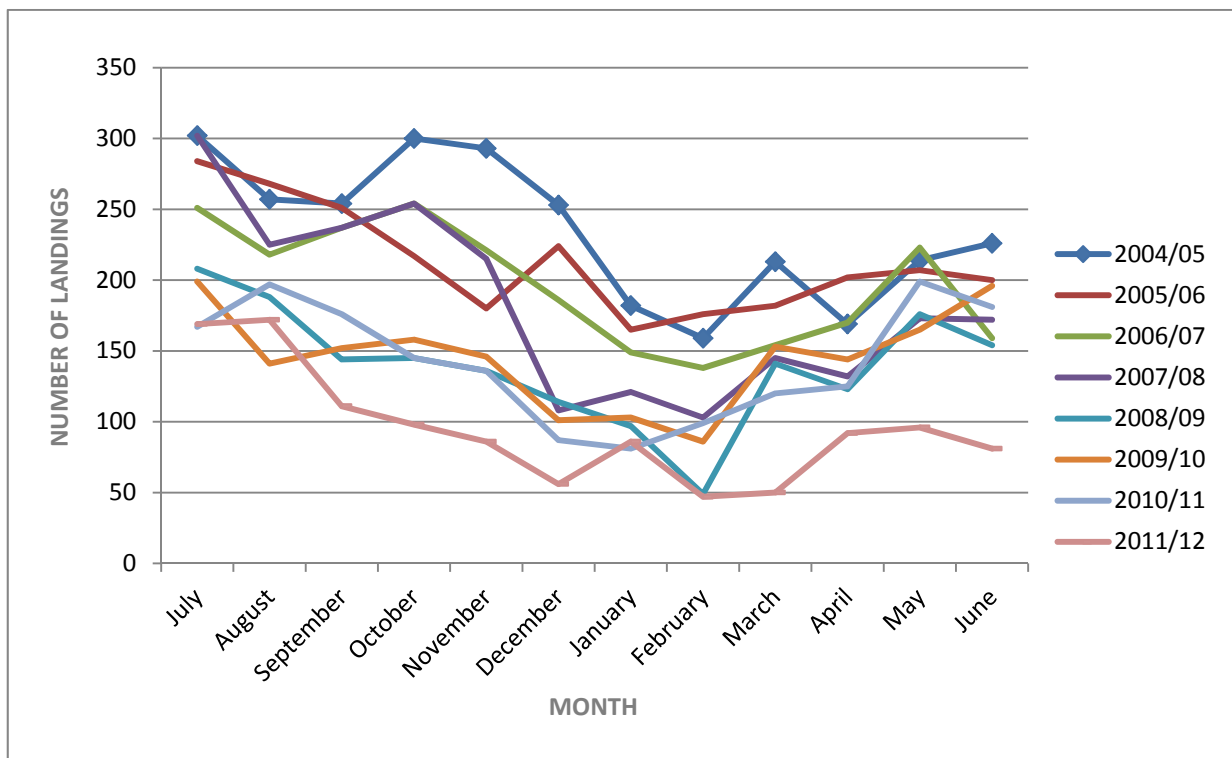
Aircraft Landings at East Kimberley Regional Airport

MONTH	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
JULY	1,617	1,844	1,840	1,738	1,780	1843
AUGUST	1,499	1,727	1,592	1,599	1,601	1633
SEPTEMBER	1,167	1,166	1,344	1,244	1,221	1108
OCTOBER	934	933	960	946	884	616
NOVEMBER	738	729	699	658	717	725
DECEMBER	326	602	614	490	542	616
JANUARY	505	563	550	439	517	497
FEBRUARY	551	596	601	557	641	545
MARCH	718	722	757	815	1,046	696
APRIL	917	898	1,069	909	1,167	960
MAY	1,373	1,458	1,312	1,339	1,606	1097
JUNE	1,495	1,459	1,458	1,545	1,695	1283
TOTAL	11,840	12,697	12,796	12,279	13,417	11,619



Aircraft Landings at Wyndham Airport

MONTH	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
JULY	251	302	208	199	167	169
AUGUST	218	225	188	141	197	172
SEPTEMBER	237	237	144	152	176	111
OCTOBER	254	254	145	158	145	98
NOVEMBER	221	215	136	146	136	86
DECEMBER	186	108	114	101	87	56
JANUARY	149	121	97	103	81	86
FEBRUARY	138	103	49	86	99	47
MARCH	154	145	141	153	120	50
APRIL	170	132	123	146	125	92
MAY	223	173	176	165	199	96
JUNE	159	172	154	200	181	81
TOTAL	2,360	2,187	1,675	1,750	1,713	1,144



East Kimberley Development Package Projects

East Kimberley Regional Airport Terminal Upgrade



COMMUNITY DEVELOPMENT

The Shire provides community services and facilities such as community support, recreation and leisure, child care, youth services and public libraries. It also contributes to community development through community safety, disability access and inclusion, youth and community wellbeing, social planning and interagency responses to local community issues.

Quick Grants

The Shire's Quick Grant program provides financial and in-kind support to local organisations and projects which benefit the local community. and provides up to \$500 per organisation per financial year. The following community groups were successful in receiving Community Quick Grants in 2011/12 with a total amount of \$13,684 being allocated:

ORGANISATION	PROJECT	AMOUNT
Clontarf	Mountain Bike ride	500
Constable Care	Roadshow	500
Garnduwa	Athletics carnival	500
Half Marathon Committee	Event	500
Hash House Harriers	EPIRB & first aid equipment	500
Kimberley Population Health	Flour drum cookup	434
Kings Church	Gospel Festival	500
Kununurra 4WD Club	Banners	500
Kununurra Ag Society	Ag show	500
Kununurra Amateur Theatre Society	Show	500
Kununurra Neighbourhood House	International Women's day	500
Kununurra Playgroup	Bikes and Trikes	500
Kununurra Progress Assoc	Technician flights	500
Kununurra Race Club	Race round	500
Kununurra RSL	Anzac Day	500
Kununurra Speedway	Printing	500
Monsoon Belly Dancing	Workshop	500
Ord Valley Country Women's Association	Bush Dance	500
Save the Children	Baby expo	500
St Joseph's Kununurra	End of year concert	500
St Joseph's Parents and Friends	St Patricks quiz night	500
St Joseph's Wyndham	Squash clinics	250
Surfrider	Blue light disco	500
Waringarri Crows	Kids Disco	500
Wyndham District High School	Countryweek	500
Wyndham Early Learning Activity Centre	Christmas party	500
Wyndham Family Support Centre	International Women's Day	500
Wyndham Tourism Committee	Printing brochures	500
	Total Support	\$13,684.00

Annual Community Grants

The Annual Community Grant Scheme offers not-for-profit organisations within the community the opportunity to receive financial and in-kind support from the Shire for amounts over \$1,000. In 2011/12 \$80,120 was allocated and is reflected in the following table:

ORGANISATION	PROJECT	AMOUNT
Kimberley Wildlife Rescue	Continue rescue programs	10,000
Wunan Foundation	Aboriginal Achievement Awards	10,000
Lake Argyle Swim	Race advertising	6,000
Kununurra Neighbourhood House	Equipment	3,984.50
Gelganyem	Barramundi Concert	10,000
Wyndham Council for Arts & Crafts	Arts & Craft show	3,400
Lake Kununurra Golf Club	New ablution block	22,735.50
Garnduwa	Leadership program	5,000
Kangaroo Haven	Education Centre	9,000
	Total Support	\$80,120.00

Disability Access and Inclusion Plan

The Shire of Wyndham East Kimberley continues to prepare and implement the Disability Access and Inclusion plan in accordance with the *Disability Services Act 1993* to ensure Council Services are available to all residents and visitors. Opportunities to improve access through upgrade and construction projects are seen in recent Leisure Centre, Airport and Wyndham fishing jetty projects. A summary of the outcomes achieved in 2011/12 are provided below:

- Shire's Quick and Annual Grant application forms require applicants to consider Disability Services Commission disability access checklist.
- Shire venues are accessible for disabled patrons.
- Events are planned using the Creating Accessible Events checklist.
- Leisure Centre gym works included accessible doorways and counter height.
- Leisure Centre Hall upgrade included suitable viewing panels.
- Planning for the new Kununurra Community Library includes improved accessibility.
- Regional Airport Terminal Upgrade included improved accessibility.
- Wyndham Fishing Jetty included improved accessibility.
- Public library resources are available in various formats.
- Application of Companion card at all community facilities.
- Staff training regarding disability awareness including access and inclusion strategies.
- Accessible complaints handling is promoted within grievance and complaints mechanisms and processes.
- Community consultation process included forums held at accessible venues.
- Council meetings are held at disability accessible venues.

East Kimberley Youth Services

East Kimberley Youth Services provide staff and facilities located at Kununurra Youth Centre Hub and Wyndham Youth and Recreation Centre. The service is funded through partnerships with WA Department for Child Protection, Commonwealth Department of the Attorney General, Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs and Shire of Wyndham East Kimberley.

The service is staffed by one Youth Officer in Kununurra and one Youth Officer in Wyndham both of whom work closely with staff from other service providers including Save the Children, Garnduwa, Wunan, DEC, Gelganyem, OVAHS, Kununurra and Wyndham Schools and Police.

Programs are designed to build the capacity of the community and young people by connecting and engaging youth and community members, to inspire new ideas, create positive change, and promote health and well-being in the community through positive social development and physical activity.

Term programs have continued to run successfully at both Kununurra and Wyndham youth centres. These include Werlemen, Deadly Dinkum Fridays, School holiday programs, Intergenerational basketball, Chill out Fridays, Heywire, tucker time, snack, splash and games, throw a line and unwind, mural/community arts and Youth discos. This year saw the successful relocation of the Department of Environment and Conservation Bush Rangers program.

In conjunction with outside agencies there have been many one off or short term programs presented throughout the year including Muso Magic Workshops, Office Administration training course, Kununurra Youth Development Program with media, art, dance and modelling components, Barramundi Concert workshops and Vibe 3on3 basketball.



Recreation and Leisure

Wyndham Pool

Attendance at the Wyndham Pool has significantly increased over the year. A successful Pool party was hosted in October 2011 with 120 people attending. The virtual swim to Rotto had approximately 200 participants ranging in age from 7 – 60 taking part in January 2012. The introduction of early morning lap swimming had also seen an increase in adult entries.

Swimming lessons were conducted at the pool in Term 4 2011 and Term 1 2012 with both Wyndham District High School and St Joseph's participating. Vacs swim and Swim school have also proved popular with the local community.

Wyndham Recreation Centre

With the introduction of a full time recreation officer in Wyndham, this year's recreation programs have begun to develop significantly with the introduction of the following:

- Social tennis Monday nights.
- Men's and Women's Basketball on Tuesday nights.
- Monday nights mixed netball training sessions.
- Fitness testing conducted monthly by the Recreation Officer for the local fitness club.

In conjunction with the Wyndham Youth Officer other recreation programs and activities that have been run for 2012 are ballroom dancing, day hikes, junior football, indoor soccer and mini Olympic days.



Kununurra Leisure Centre

Kununurra Leisure Centre completed a gym expansion and single entry point project this year. This project was mostly funded by the Australian Government under the Regional Local and Community Infrastructure Program with some additional works funded by the Shire also.

This expansion has seen an increase in Kununurra Leisure Centre memberships and casual gym usage.

The Leisure Centre hall has had the floor sanded, resealed and relined and an upgrade to the lights.

The Kununurra Leisure Centre hosted the Schools Active After School program with 15 participants each Friday afternoon.

A number of special events were held by different community organisations at the Leisure Centre including:

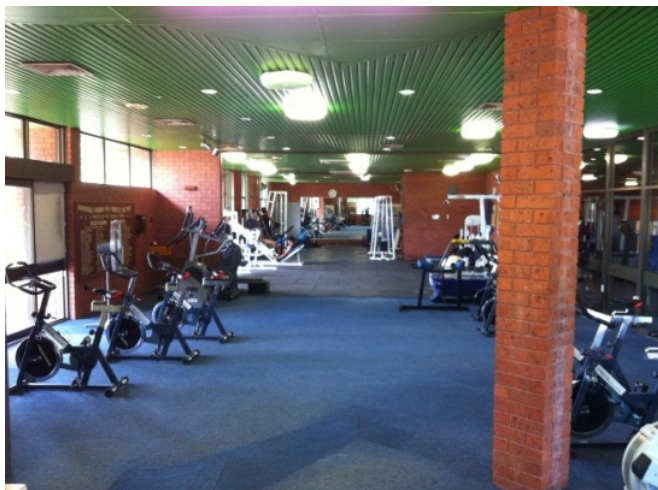
- Scitech roadshow.
- St Josephs end of year concert.
- Kununurra District High School end of year assembly.
- Country Women's Association bush dance.
- Kununurra Amateur Theatrical Society performances.
- St Joseph quiz night
- Public forums for Community Engagement and Digital Ready.

Regular club bookings for Gymnastics, soccer, basketball, squash, taekwondo and swim club have continued.

Both swim school and vacswim programs have run over the year with attendance levels of 80 participants for vacswim and 167 enrolments for Term 1 swim school, 77 of which were children under 4 years old.

A number of training courses were held in the pool this year including:

- Bronze Medallion – 12 participants
- Pool lifeguard – 12 participants
- Austswim Teaching – 6 participants
- Austswim Infant Instructor – 6 participants.



Club Development Program

The Club Development project is a partnership between the Shire of Wyndham East Kimberley, the Shire of Halls Creek and the Department of Sport and Recreation.

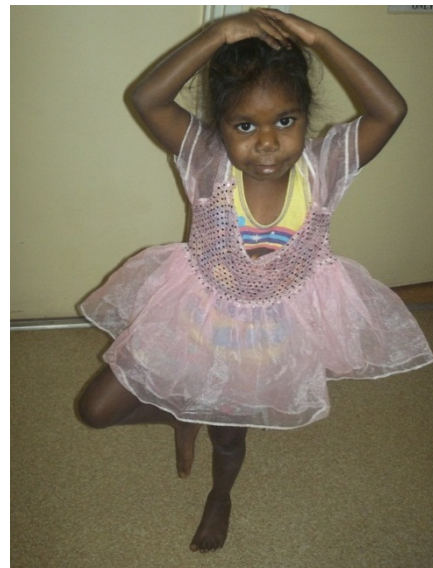
Key events for 2011/12 included:

- Club Governance workshop with Merry Robertson.
- Kidsport Funding.
- Squash WA clinics.
- State Sporting Association ran a referee accreditation course for the Kununurra Squash Club.
- Touch West visited schools within the Shire and saw over 400 kids taking part in skills sessions.
- WA Rugby League visited the Shire and ran school holiday rugby league program as well as a coaching accreditation course and a referee course.

Wyndham Childcare Centre

2011-2012 has been an extremely productive year for Wyndham Childcare. The utilisation of care has increased 47.4% this financial year. The centre is now being used by a total of 27 families within the community with care being given to 34 children.

Over the last 12 months we have enjoyed some exciting events being: The Wyndham Early Learning Activity Centre (WELA) Christmas party, a Water Play day combined with a family lunch, and story time with WELA on the 3rd Friday of each month. We continue to do regular excursions to the library for story time and sometimes even a movie.



Kununurra Community Library

Kununurra Community library loaned 57,711 items and 5,100 people accessed the Internet for business or for their personal information needs. Currently the library has 5,411 active members.

During the year, the library organised and hosted many community events including:

29-31 July – Kimberley Writers Festival – the seventh Festival organised by Kununurra Community Library was a huge success bringing 15 authors, singers, storytellers, editors and publishers to Kununurra for the education and entertainment of more than 1600 residents and visitors.

16-20 August – Children’s Book Week – Two authors visited and presented to more than 1,300 school children from Kununurra District High School, St Joseph’s Kununurra, Wyndham District High School, St Joseph’s Wyndham and Kalumburu District High School over the four days thanks to generous funding from Department of Culture and the Arts, Healthway and the Children’s Book Council of WA.

14 February – Library Lovers Day – chocolates, balloons and blind dates with a book all helped make this special day enjoyable for all the library’s patrons. The library also launched *Books on Prescription* an evidence-based scheme utilising self-help books and materials in the promotion of mental health and well-being. A collection of books, which can be prescribed to patients and collected at the library, were donated by Boab Health

23 May - National Simultaneous Storytime – more than 400 students and pre-schoolers from Kununurra joined the Shire’s Media and Communications Officer for the reading of “*The very cranky bear*” by Nick Bland. After the reading they all spent time making their own Bear masks and enjoying the healthy morning tea prepared by the library staff. In the afternoon the first title created as part of the Creating Books in Communities project was launched. “*Pindan kids love books*” which was prepared, written, designed and printed with the help of many organisations as well as the Shire and the children enrolled at the Pindan Centre. Many thanks must be extended to the *Better Beginnings Early Family Literacy* team for including the Shire in the pilot of this project



Writers Festival



School Holiday Program



Library Lover

ECONOMIC DEVELOPMENT

Projects and Planning

The Shire undertook a number of major projects throughout the year. Some of these projects were funded as part of the Federal Government's East Kimberley Development Package including the construction of the Wyndham Community Jetty and the major upgrade to the terminal at the East Kimberley Regional Airport. Other major projects and planning initiated and/or completed for the 2011 - 2012 year include:

Integrated Planning and Reporting

The Shire undertook several major projects to meet its legislative obligations under the Local Government Act as a result of the introduction of the Integrated Planning and Reporting Framework. This involved engaging with the community for the preparation of a Strategic Community Plan.

East Kimberley Airport Master Plan

The Shire prepared a master plan for the future development of the East Kimberley Regional Airport Master Plan. This plan provides a strategic framework for the future development of the airport over the next 10 to 25 years.

Land development

LandCorp completed the construction of Lakeside Park Residential Estate Stages 6 and 7A, providing an additional 86 residential lots. The development also involved the creation of new parkland and connecting walkways. They also created an additional 14 lots as an extension to the Weaber Plain light industrial area.

Lake Kununurra Foreshore Plan Review

The Lake Kununurra Foreshore Plan was reviewed and updated by a Technical Working Group established by the Shire. This update included the addition of an Aquatic Use Plan which will assist in management of the actual waterway and address the 'interface' between waterway and land uses. The updated plan now also includes the Race Course, Packsaddle foreshore, Crossing Falls foreshore, and Commercial Tour Boat day use areas and canoes camps.

Lake Kununurra Commercial Boat Facility

The leases for the three occupied lots of the Commercial Boating Facility have now commenced with lease fees collected being allocated to a Foreshore Reserve to fund future community works along the foreshore.

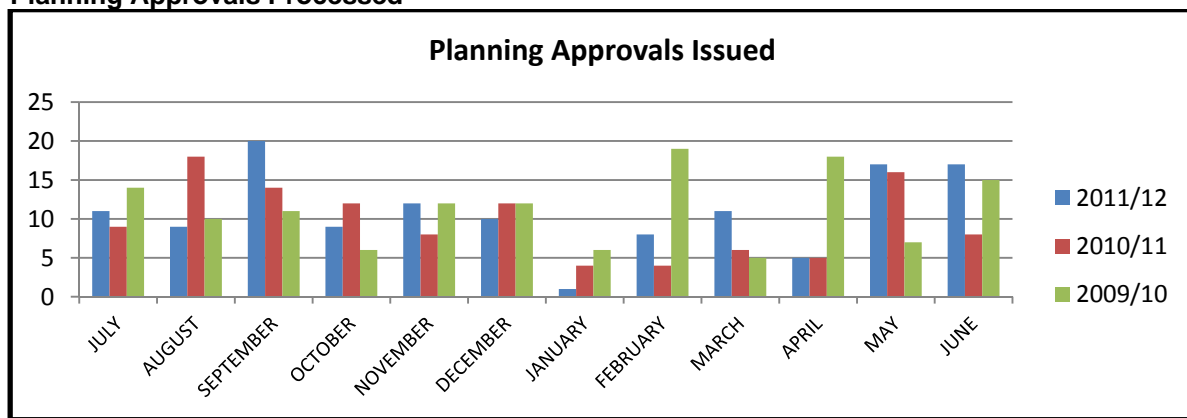
Shire Sustainability Strategy

The *SWEK Environmental Sustainability Strategy 2011-2015* was adopted at the Council meeting on 19 July 2011. The Shire recognises its responsibility for reducing its impact on the environment and to provide leadership to encourage others to do the same. The Environmental Sustainability Strategy aims to integrate environmental targets into future Shire strategies, policies and service delivery, reflecting global, national and local best practice.

Planning Approvals

The Shire processed 130 Development Applications which is a 10 percent increase from the year before.

Planning Approvals Processed



Local Planning Scheme Review

Council initiated a review of its Town Planning Schemes for Wyndham (No.6) and Kununurra and Environs (No.7) appointing Perth based planning consultants Urbis Planning. The intent is to consolidate both Schemes and expand planning controls to cover the whole of the Shire. Councillor workshops were held this year for the presentation of the draft Local Planning Scheme (LPS8) after which a refinement of the scheme was undertaken. Council endorsed the draft LPS8 for the purpose of advertising but consent from EPA (Environmental Protection Agency) and WAPC (Western Australian Planning Commission) is pending.

Amendments

Shire officers processed or completed the following Amendments:

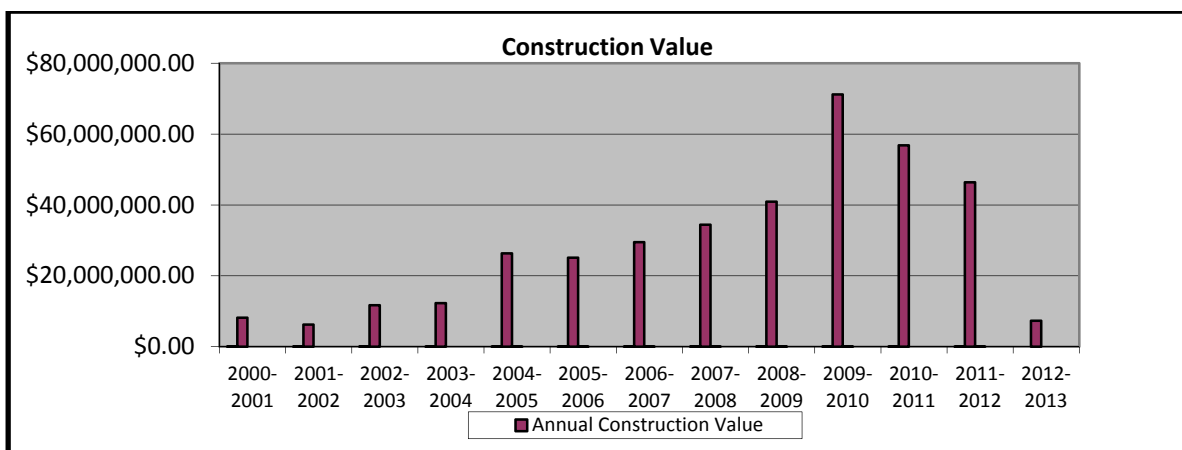
- Amendment 38 to TPS No 7 – Recoding Lots between Mistletoe Street and Barringtonia Avenue
- Amendment 39 to TPS No 7 – Modification to Scheme Text
- Amendment 40 to TPS No 7 – Rezone minor portions of Lot 372 and Lot 394, consisting of various zones and reserves including, Rural Agriculture 1 Zone, No Zone, Conservation/Environmental Protection Reserve and Waterway Reserve, as shown on Scheme Amendment Map.

Building

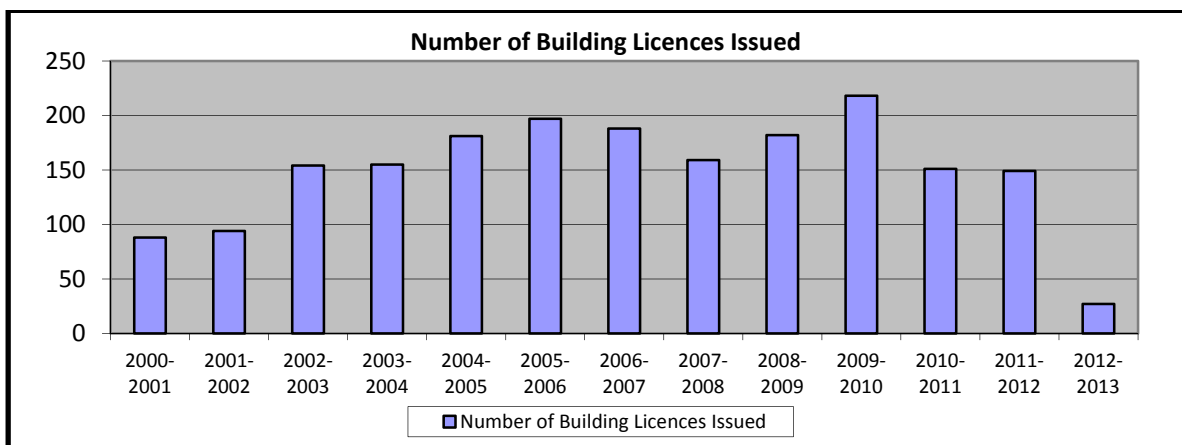
The construction value of the 149 Building Licences issued for the 2011-2012 year was \$46,421,179.00.

In comparison with the figures for the previous year, the construction value has decreased for this period by 15% whilst the number of building licences decreased only slightly. This is shown on the figures and tables following.

Construction Value



Building Licences Issued



The Construction statistics for Building Licence approvals and values appear to have decreased over the last two years and the level of building activity within the Shire appears to have decreased from 2009/2010. However, these figures do not include any of the construction works which are being carried out under the exemption right of the crown, and this includes the construction of many dwelling units both in Kununurra and Wyndham, Kununurra Hospital extensions, Temporary Courthouse, extensions to all schools and TAFE premises in both Wyndham and Kununurra.

Building Licence approvals were issued for 55 new dwelling units as opposed to 29 for the previous year, however these figures have substantially reduced from 2009/2010.

Building Licence Statistics 2000-2001 to 2011-2012

FINANCIAL YEAR	NUMBER OF BUILDING LICENCES ISSUED	ANNUAL CONSTRUCTION VALUE	NEW DWELLING UNITS KUNUNURRA	NEW DWELLING UNITS WYNDHAM	NEW DWELLING UNITS ABORIGINAL COMMUNITIES
2000-2001	88	\$8,173,121.00	10	2	19
2001-2002	94	\$6,233,174.00	16	1	7
2002-2003	154	\$11,679,506.00	13	3	18
2003-2004	155	\$12,294,189.00	19	4	15
2004-2005	181	\$26,321,945.00	45	4	25
2005-2006	197	\$25,119,699.00	68	2	8
2006-2007	188	\$29,491,996.00	56	5	6
2007-2008	159	\$34,438,418.01	41	1	27
2008-2009	182	\$40,925,702.00	50	16	3
2009-2010	218	\$71,203,364.00	139	18	0
2010-2011	151	\$56,822,612.00	28	1	0
2011-2012	149	\$46,421,179.00	40	4	11

Major construction projects commenced or continued in this year include the upgrade to the main terminal of the East Kimberley Regional Airport Terminal, Kununurra, the Berkley River Resort, Kununurra District High School major upgrade including additional classrooms and the new Kununurra Community Library, Temporary Courthouse, Kununurra, Cambridge Gulf Limited's Nickel Facility in Wyndham and the MGGT Corporation shared Office Facility in Kununurra.

In April 2012, the implementation of the new *Building Act 2011* commenced which replaced and updated the Western Australian building approvals system

Environmental Health

Routine assessment of premises bound by the *Health Act 1911* and other health related legislation ensures high environmental health standards are maintained in the Shire. Those routinely assessed are food shops, itinerant food vendors, caravan parks and camping grounds, lodging houses, public buildings, hairdressers and beauty therapy businesses. The frequency of assessment is determined by the potential health risks of the business activities and their past inspection history.

In addition to inspections, the Shire is bound by the *Health (Aquatic Facility) Regulations 2007* to ensure public swimming pools are sampled monthly.

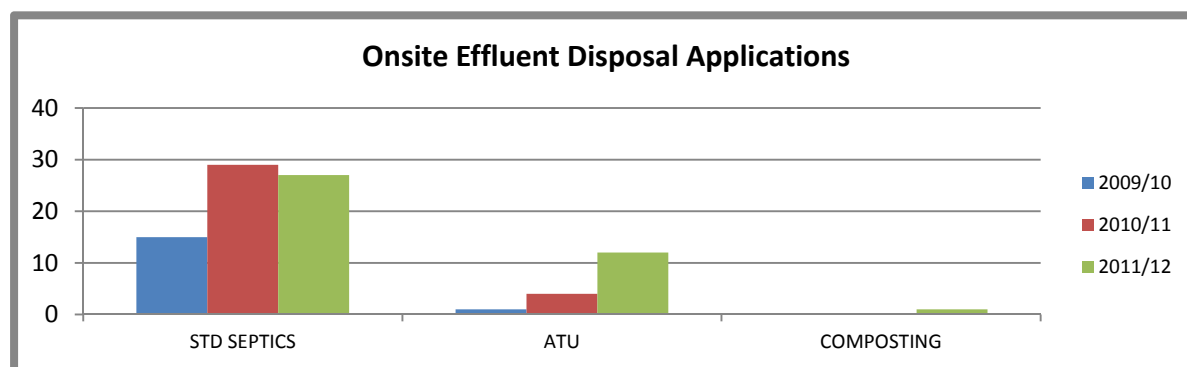
Protection of Health

Protection and enhancement of health is a recognised priority of the Shire, and it is necessary to ensure that development occurs in the best interest of the community and its health.

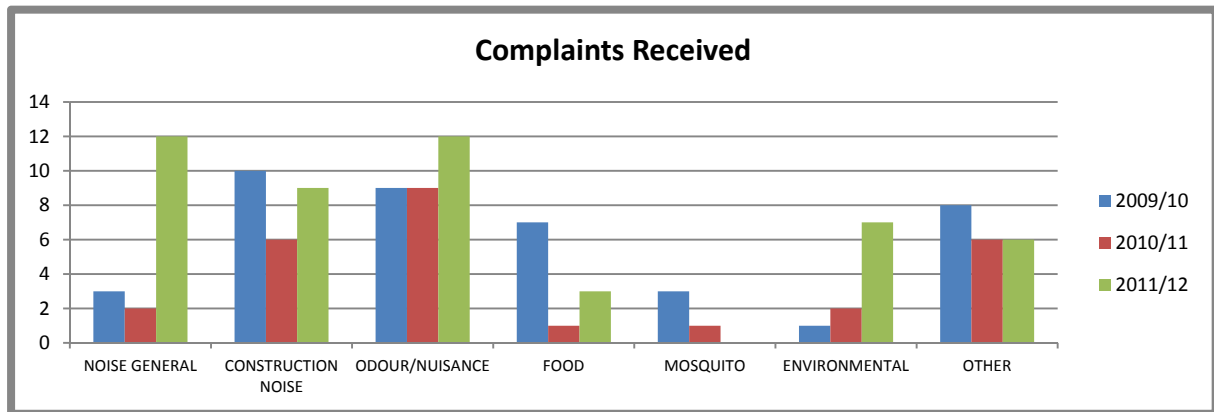
Along with the requirements for permanent land use development, the Shire is also responsible for ensuring that public events are planned and managed with safety as a priority. The Shire is home to some large public events which bring together many public health issues including food safety, crowd control, amenities, waste management and noise. All of these health issues need to be managed in the interest of public safety.

This year there was an increase in the number of events being held, which included the Wyndham Stars on the Bastion, Moscow Circus, Kimberley Moon, Barramundi Concert, Ord Valley Muster Street Party and the Kununurra Markets which resulted in a large number of Temporary Food Stall licences being issued.

Development trends were reflected in the number of wastewater applications received and processed in 2011-2012. Extension of the Weaber Plains Light Industrial Area accounted for a large portion of these, with development in Rural and special living areas making up the remainder.



Overall there was an increase in the total number health complaints compared to the previous year. Over half the complaints were related to noise and a large proportion of these were directly related to construction noise occurring outside of acceptable hours. A number complaints related to the 'other category' and included asbestos, wastewater and unauthorised discharge. All complaints have been actioned or are pending further investigation.

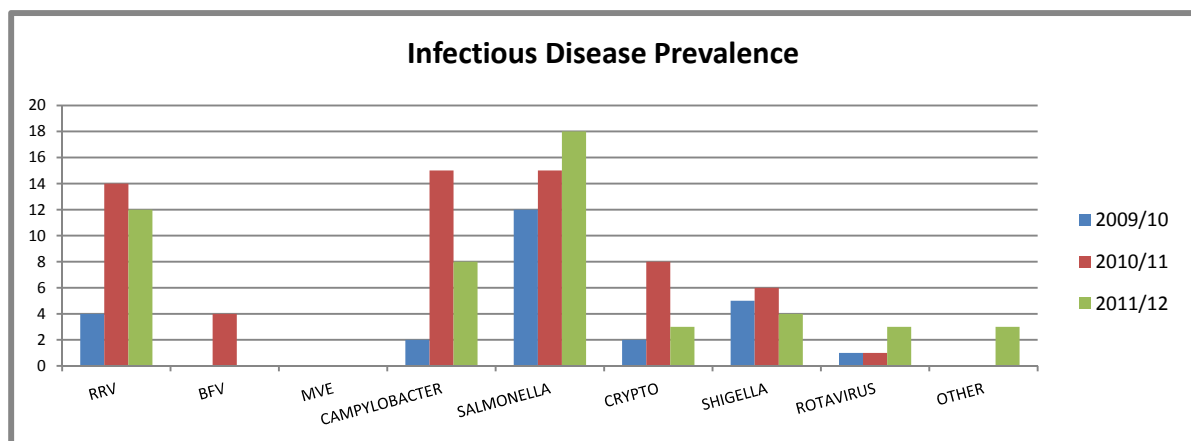


Public Health Promotion

The Shire plays an important role in the protection and promotion of health in the community. Awareness of food safety, mosquito borne diseases and transmission of communicable diseases are all important in protecting the health of our local community. The Shire’s Environmental Health Officers conducted Safe Food Handler Training sessions in Kununurra and Wyndham for those involved in food handling. Each session included a large number of attendees from a variety of businesses including supermarkets, roadhouses, stallholders and cafes.

The smaller wet season (than the previous year) is reflected in the statistics of notifiable diseases received by the Shire. In particular the cases of Ross River and Barmah Forest Virus were reduced.

The mosquito borne disease risk is at its peak from February to May each year and this trend continued throughout 2011-2012.



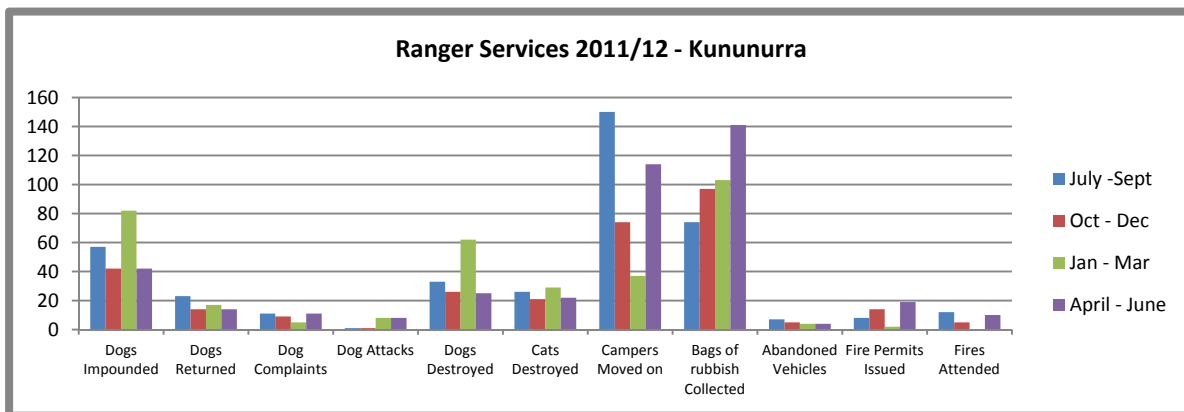
Rangers

The Shire’s Rangers had a demanding year undertaking the preparation of fire breaks and other preventative (safety) measures working closely with FESA (Fire and Emergency Services Association), DEC (Department of Conservation and Environment) and local volunteer fire brigades. The number of fires attended increased from previous years and there was a rise in the number of fire permits issued in the June quarter which coincided with the fire restriction period.

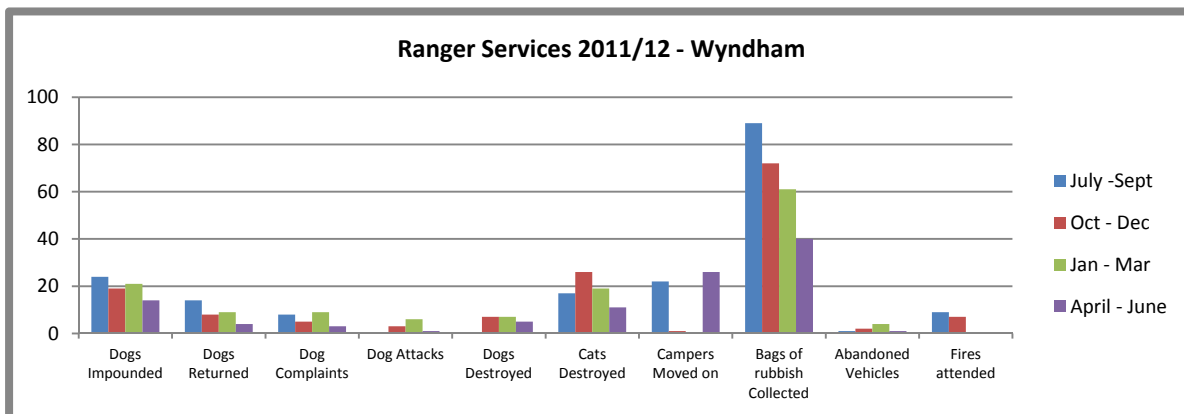
Previous seasonal trends in Ranger Services continued with a sharp increase in the number of dogs impounded (and destroyed) in February and March and consistently large numbers for the remainder of the year. Dogs and dog attacks continue to be a major concern for the Shire and constitute the majority of complaints received, forming the majority of daily activities of the Rangers.

The Rangers increased the focus on feral cat control with the purchase of additional cat traps which were heavily utilised throughout the year. The Rangers also spent significant effort in moving on illegal campers in and around Kununurra and Wyndham and at highway wayside stopping areas conducting additional patrols in the early evenings.

Rangers Services – Kununurra



Rangers Services – Wyndham





SHIRE OF WYNDHAM | EAST KIMBERLEY

FINANCIAL REPORT

2012

2011

SHIRE OF WYNDHAM-EAST KIMBERLEY

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2012

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SHIRE OF WYNDHAM-EAST KIMBERLEY

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2012

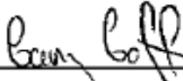
LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Wyndham-East Kimberley 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 Wyndham-East Kimberley 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 30th day of November 2012



Gary Gaffney
Chief Executive Officer

SHIRE OF WYNDHAM-EAST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
REVENUE				
Rates	22	6,628,002	6,348,867	5,698,688
Operating Grants, Subsidies and Contributions	28	8,651,691	4,968,502	6,932,806
Fees and Charges	27	6,572,625	6,609,906	6,132,868
Interest Earnings	2(a)	792,309	553,974	1,016,298
Other Revenue		576,907	389,500	450,840
		<u>23,221,534</u>	<u>18,870,749</u>	<u>20,231,500</u>
EXPENSES				
Employee Costs		(8,155,680)	(8,909,020)	(7,801,922)
Materials and Contracts		(8,817,726)	(6,695,377)	(5,629,471)
Utility Charges		(808,440)	(827,670)	(673,874)
Depreciation on Non-Current Assets	2(a)	(3,327,925)	(2,916,607)	(3,001,152)
Interest Expenses	2(a)	(184,921)	(236,846)	(198,850)
Insurance Expenses		(349,428)	(353,113)	(318,596)
Other Expenditure		(1,050,960)	(754,500)	(673,449)
		<u>(22,695,080)</u>	<u>(20,693,133)</u>	<u>(18,297,314)</u>
		526,454	(1,822,384)	1,934,186
Non-Operating Grants, Subsidies and Contributions	28	7,952,478	16,105,764	8,233,173
Profit on Asset Disposals	20	428,212	787,361	103,296
Loss on Asset Disposal	20	(131,105)	(26,718)	(43,920)
NET RESULT		8,776,039	15,044,023	10,226,735
Other Comprehensive Income		0	0	0
Total Other Comprehensive Income		0	0	0
TOTAL COMPREHENSIVE INCOME		<u>8,776,039</u>	<u>15,044,023</u>	<u>10,226,735</u>

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

SHIRE OF WYNDHAM-EAST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
REVENUE				
Governance		1,031,637	484,320	1,107,876
General Purpose Funding		13,152,890	10,395,516	11,160,423
Law, Order, Public Safety		41,177	114,507	53,776
Health		57,683	46,500	46,312
Education and Welfare		171,867	125,500	116,615
Housing		189,725	190,432	133,167
Community Amenities		2,179,198	2,162,878	2,396,930
Recreation and Culture		560,844	584,500	562,001
Transport		5,376,043	4,392,596	4,143,626
Economic Services		244,666	354,000	165,933
Other Property and Services		215,804	20,000	344,841
		<u>23,221,534</u>	<u>18,870,749</u>	<u>20,231,500</u>
EXPENSES EXCLUDING FINANCE COSTS 2 (a)				
Governance		(2,614,070)	(2,500,389)	(1,654,346)
General Purpose Funding		(528,409)	(535,060)	(478,992)
Law, Order, Public Safety		(578,671)	(620,666)	(498,190)
Health		(348,845)	(409,222)	(367,757)
Education and Welfare		(405,722)	(372,916)	(336,179)
Housing		(557,784)	(505,986)	(485,624)
Community Amenities		(4,861,173)	(5,012,413)	(4,178,333)
Recreation & Culture		(4,069,681)	(3,841,433)	(3,813,205)
Transport		(7,373,744)	(5,524,938)	(5,101,345)
Economic Services		(900,539)	(1,043,908)	(704,683)
Other Property and Services		(271,521)	(89,356)	(479,810)
	2 (a)	<u>(22,510,159)</u>	<u>(20,456,287)</u>	<u>(18,098,464)</u>
FINANCE COSTS				
Governance		(26,990)	(76,990)	(28,949)
Education and Welfare		(29,698)	(29,698)	(32,593)
Housing		(52,911)	(54,836)	(53,790)
Recreation and Culture		(75,322)	(75,322)	(83,518)
	2 (a)	<u>(184,921)</u>	<u>(236,846)</u>	<u>(198,850)</u>
NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS				
Governance		1,940,635	2,000,000	0
Law Order and Public Safety		0	100,000	0
Housing		1,078,168	2,025,933	0
Community Amenities		25,000	190,000	245,000
Recreation and Culture		1,187,714	2,040,000	4,655,363
Transport		3,720,961	9,749,831	3,332,810
		<u>7,952,478</u>	<u>16,105,764</u>	<u>8,233,173</u>
PROFIT/(LOSS) ON DISPOSAL OF ASSETS				
Housing		347,828	697,457	0
Recreation and Culture		(32,473)	0	0
Transport		(86,104)	0	85,393
Other Property and Services		67,856	63,186	(26,017)
		<u>297,107</u>	<u>760,643</u>	<u>59,376</u>
NET RESULT		8,776,039	15,044,023	10,226,735
Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
Total Other Comprehensive Income		0	0	0
TOTAL COMPREHENSIVE INCOME		<u>8,776,039</u>	<u>15,044,023</u>	<u>10,226,735</u>

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

SHIRE OF WYNDHAM-EAST KIMBERLEY
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2012

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	13,713,854	14,549,320
Trade and Other Receivables	4	3,159,715	3,484,102
Inventories	5	11,866	15,002
Other Financial Assets		6,683	6,683
TOTAL CURRENT ASSETS		<u>16,892,118</u>	<u>18,055,107</u>
NON-CURRENT ASSETS			
Other Receivables	4	9,356	8,246
Inventories	5	23,099	60,191
Property, Plant and Equipment	6	31,370,219	24,248,332
Infrastructure	7	49,816,170	48,315,825
TOTAL NON-CURRENT ASSETS		<u>81,218,844</u>	<u>72,632,594</u>
TOTAL ASSETS		<u>98,110,962</u>	<u>90,687,701</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	1,966,628	2,370,184
Long Term Borrowings	9	249,176	1,114,499
Provisions	10	1,061,651	903,150
TOTAL CURRENT LIABILITIES		<u>3,277,455</u>	<u>4,387,833</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	1,849,615	2,098,791
Provisions	10	96,654	89,878
TOTAL NON-CURRENT LIABILITIES		<u>1,946,269</u>	<u>2,188,669</u>
TOTAL LIABILITIES		<u>5,223,724</u>	<u>6,576,502</u>
NET ASSETS		<u>92,887,238</u>	<u>84,111,199</u>
EQUITY			
Retained Surplus		86,418,783	75,994,126
Reserves - Cash Backed	11	6,468,455	8,117,073
TOTAL EQUITY		<u>92,887,238</u>	<u>84,111,199</u>

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

SHIRE OF WYNDHAM-EAST KIMBERLEY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	TOTAL EQUITY \$
Balance as at 1 July 2010		67,126,447	6,758,017	73,884,464
Net Result		10,226,735	0	10,226,735
Total Other Comprehensive Income		0	0	0
Reserve Transfers		(1,359,056)	1,359,056	0
Balance as at 30 June 2011		75,994,126	8,117,073	84,111,199
Net Result		8,776,039	0	8,776,039
Total Other Comprehensive Income			0	0
Reserve Transfers		1,648,618	(1,648,618)	0
Balance as at 30 June 2012		86,418,783	6,468,455	92,887,238

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

SHIRE OF WYNDHAM-EAST KIMBERLEY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Cash Flows From Operating Activities				
Receipts				
Rates		6,579,090	6,076,647	5,453,006
Operating Grants, Subsidies and Contributions		9,704,708	4,968,502	6,932,806
Fees and Charges		6,619,133	6,609,906	4,541,547
Service Charges		0	0	0
Interest Earnings		792,309	553,974	1,074,157
Goods and Services Tax		2,548,597	1,895,478	2,003,434
Other Revenue		576,907	389,500	450,840
		<u>26,820,744</u>	<u>20,494,007</u>	<u>20,455,790</u>
Payments				
Employee Costs		(8,073,085)	(8,920,875)	(7,549,659)
Materials and Contracts		(9,205,083)	(6,949,573)	(5,401,072)
Utility Charges		(808,440)	(827,670)	(673,874)
Insurance Expenses		(349,428)	(353,113)	(318,596)
Interest Expenses		(188,339)	(233,846)	(202,150)
Goods and Services Tax		(2,099,728)	(695,478)	(2,099,728)
Other Expenditure		(1,050,960)	(754,500)	(665,337)
		<u>(21,775,063)</u>	<u>(18,735,055)</u>	<u>(16,910,416)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>5,045,681</u>	<u>1,758,952</u>	<u>3,545,374</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		(18,216)	0	(4,882)
Payments for Purchase of Property, Plant & Equipment		(8,080,478)	(14,051,222)	(7,614,205)
Payments for Construction of Infrastructure		(4,223,898)	(13,847,288)	(8,187,416)
Advances to Community Groups		0	0	0
Payments for Purchase of Investments		0	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		6,849,310	16,105,764	8,233,173
Proceeds from Sale of Plant & Equipment		706,634	1,173,002	140,393
Net Cash Provided By (Used In) Investing Activities		<u>(4,766,648)</u>	<u>(10,619,744)</u>	<u>(7,432,937)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(1,114,499)	(1,114,499)	(220,688)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures		0	1,650,000	0
Net Cash Provided By (Used In) Financing Activities		<u>(1,114,499)</u>	<u>535,501</u>	<u>(220,688)</u>
Net Increase (Decrease) in Cash Held		(835,466)	(8,325,291)	(4,108,251)
Cash at Beginning of Year		14,549,320	14,556,102	18,657,571
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>13,713,854</u></u>	<u><u>6,230,811</u></u>	<u><u>14,549,320</u></u>

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

SHIRE OF WYNDHAM-EAST KIMBERLEY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 Actual \$
REVENUE				
Governance		2,972,272	2,484,320	1,107,876
General Purpose Funding		6,524,888	4,046,649	5,461,735
Law, Order, Public Safety		41,177	214,507	53,776
Health		57,683	46,500	46,312
Education and Welfare		171,867	125,500	116,615
Housing		1,615,721	2,913,822	133,167
Community Amenities		2,204,198	2,327,878	2,641,930
Recreation and Culture		1,748,558	2,649,500	5,217,364
Transport		9,097,004	14,142,427	7,561,830
Economic Services		244,666	354,000	165,933
Other Property and Services		296,188	109,904	362,743
		<u>24,974,222</u>	<u>29,415,007</u>	<u>22,869,281</u>
EXPENSES				
Governance		(2,641,060)	(2,577,379)	(1,683,295)
General Purpose Funding		(528,409)	(535,060)	(478,992)
Law, Order, Public Safety		(578,671)	(620,666)	(498,190)
Health		(348,845)	(409,222)	(367,757)
Education and Welfare		(435,420)	(402,614)	(368,772)
Housing		(610,695)	(560,822)	(539,414)
Community Amenities		(4,861,173)	(5,012,413)	(4,178,333)
Recreation & Culture		(4,177,476)	(3,916,755)	(3,896,723)
Transport		(7,459,848)	(5,524,938)	(5,101,345)
Economic Services		(900,539)	(1,043,908)	(704,683)
Other Property and Services		(284,049)	(116,074)	(523,730)
		<u>(22,826,185)</u>	<u>(20,719,851)</u>	<u>(18,341,234)</u>
Net Operating Result Excluding Rates		2,148,037	8,695,156	4,528,047

SHIRE OF WYNDHAM-EAST KIMBERLEY
RATE SETTING STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 Actual \$
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	20	(297,107)	(760,643)	(59,376)
Movement in Accrued Interest on Investments		0	0	57,859
Movement in Accrued Interest on Debentures		0	0	(3,300)
Movement in Deferred Pensioner Rates (Non-Current)		(1,110)	0	5,809
Movement in Accrued Salaries and Wages		0	0	43,942
Land Held for Resale transferred to PPE		55,308	0	0
Movement in Employee Benefit Provisions		165,277	0	208,321
Depreciation and Amortisation on Assets	2(a)	3,327,925	2,916,607	3,001,152
Capital Expenditure and Revenue				
Purchase Land Held for Resale		(18,216)	0	(4,882)
Purchase Land and Buildings		(6,520,158)	(12,152,322)	(789,085)
Purchase Furniture and Equipment		(433,764)	(728,400)	(250,925)
Purchase Plant and Equipment		(779,827)	(1,170,500)	(879,500)
Purchase Property Plant and Equipment - Work in Progress		(402,037)	0	(5,694,695)
Purchase Infrastructure Assets - Roads		(336,977)	(10,172,894)	0
Purchase Infrastructure Assets - Footpaths		(215,287)	0	0
Purchase Infrastructure Assets - Drainage		0	(740,000)	(7,495)
Purchase Infrastructure Assets - Other		(1,876,754)	(3,595,166)	(572,366)
Purchase Infrastructure - Work in Progress		(1,794,880)	0	(7,607,555)
Proceeds from Disposal of Assets	20	706,634	1,173,002	55,000
Proceeds from Sale of Land Held for Resale		0	300,000	85,393
Repayment of Debentures	21(a)	(1,114,499)	(1,114,499)	(220,688)
Proceeds from New Debentures	21(b)	0	1,650,000	0
Transfers to Reserves (Restricted Assets)	11	(821,324)	(462,024)	(1,939,738)
Transfers from Reserves (Restricted Assets)	11	2,469,942	2,630,648	580,682
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22 (b)	7,567,850	7,280,968	11,441,955
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22 (b)	8,457,035	98,800	7,677,243
Amount Required to be Raised from Rates	22 (a)	<u>(6,628,002)</u>	<u>(6,348,867)</u>	<u>(5,698,688)</u>

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

SHIRE OF WYNDHAM EAST KIMBERLEY
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 WYNDHAM EAST KIMBERLEY
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 WYNDHAM EAST KIMBERLEY
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 WYNDHAM EAST KIMBERLEY
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 and capitalisation threshold are as per Council adopted policy F20 Non Current Asset Capitalisation and Depreciation Control.

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 WYNDHAM EAST KIMBERLEY
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 WYNDHAM EAST KIMBERLEY
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 WYNDHAM EAST KIMBERLEY
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 WYNDHAM EAST KIMBERLEY
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 is to be 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.

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 WYNDHAM EAST KIMBERLEY
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 WYNDHAM EAST KIMBERLEY
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 WYNDHAM EAST KIMBERLEY
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 WYNDHAM EAST KIMBERLEY
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 WYNDHAM EAST KIMBERLEY
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 WYNDHAM EAST KIMBERLEY
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 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 WYNDHAM EAST KIMBERLEY
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 WYNDHAM EAST KIMBERLEY
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 WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES	2012	2011	
	\$	\$	
(a) Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
- Audit	32,663	28,557	
- Other Services	1,950	0	
Depreciation			
Buildings	624,177	626,304	
Furniture and Equipment	166,582	125,226	
Plant and Equipment	671,926	572,782	
Roads	1,241,875	1,130,546	
Footpaths	71,131	63,011	
Drainage	14,601	14,414	
Bridges	9,384	9,384	
Airports	216,024	173,159	
Other	312,225	286,326	
	<u>3,327,925</u>	<u>3,001,152</u>	
Interest Expenses (Finance Costs)			
Debentures (<i>refer Note 21(a)</i>)	184,921	198,850	
	<u>184,921</u>	<u>198,850</u>	
 (ii) Crediting as Revenue:			
	2012	2012	2011
	\$	Budget	\$
		\$	
Interest Earnings			
Investments			
- Reserve Funds	419,882	360,974	485,988
- Other Funds	259,039	132,000	459,526
Other Interest Revenue (<i>refer note 26</i>)	113,388	61,000	70,784
	<u>792,309</u>	<u>553,974</u>	<u>1,016,298</u>

SHIRE OF WYNDHAM-EAST KIMBERLEY
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 Wyndham-East Kimberley is dedicated to providing high quality services to the community through the various service orientated programs which it has established. In order to discharge its responsibilities to the community, the Shire has developed a set of operational and financial objectives.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

GOVERNANCE

Objective:

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

Activities:

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to help ensure a safer and environmentally conscious community.

Activities:

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, provision of meat inspection services, noise control, pest control and waste disposal compliance.

EDUCATION AND WELFARE

Objective:

To provide services to disadvantaged persons, the elderly, children and youth.

Activities:

Operation of youth services, day care centres and assistance to other voluntary services.

HOUSING

Objective:

To provide and maintain staff and residential housing.

Activities:

Provision of staff and residential housing.

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Rubbish Collection services, operation of landfill sites, litter control, administration of the town planning schemes, maintenance of cemeteries, maintenance of rest centres and storm water drainage maintenance.

RECREATION AND CULTURE

Objective:

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Activities:

Maintenance of halls, aquatic centres, recreation centres and various reserves; operation of library and community development services.

TRANSPORT

Objective:

To provide safe, effective and efficient transport services to the community.

Activities:

Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets, traffic lights; depot maintenance.

The provision and operation of airport services.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

The regulation and provision of tourism, area promotion, building control, noxious weeds and vermin control.

OTHER PROPERTY & SERVICES

Objective:

To monitor and control council's overheads operating accounts.

Activities:

Private works operation, plant repairs, operations and administrative costs.

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

REVENUE AND EXPENSES

2. (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-10 \$	Received (+) 2010/11 \$	Expended (#) 2010/11 \$	Closing Balance 30-Jun-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Closing Balance 30-Jun-12 \$
Forward Capital Planning (DLG)	Governance	35,000	0	(35,000)	0	0	0	0
Kimberley Zone Secretariat	Governance	59,965	213,857	(153,898)	119,924	120,000	(149,821)	90,103
Kimberley Zone Business Plan	Governance	173,212	25,000	(106,494)	91,718	22,727	(112,271)	2,174
Kimberley Zone Housing Construction	Governance	0	0	0	0	2,374,273	(5,750)	2,368,523
Kimberley Regional Collaborative Group - Strategic Planning (DLG)	Governance	0	354,000	0	354,000	190,000	(531,226)	12,774
Kimberley Regional Collaborative Group - Project Officer (DLG)	Governance	0	100,000	(18,645)	81,355	40,000	(95,946)	25,409
Kimberley Joint Shires - Service Delivery	Governance	0	360,000	(316,095)	43,905	0	(42,481)	1,424
Remote Aboriginal Communities (DLG) Integrated Planning Framework (IPF) - Asset Management Funding	Governance	0	0	0	0	30,079	(13,807)	16,272
Integrated Planning Framework (IPF) - Long Term Financial Planning Funding	Governance	0	0	0	0	30,000	0	30,000
Royalties for Regions	Housing	1,615,388	0	(510,195)	1,105,193	0	(1,105,193)	0
Wyndham Foreshore Protection and Enhancement Plan - Funding	Community Amenities	0	0	0	0	4,500	0	4,500
Childrens Book Week	Community Amenities	0	4,300	0	4,300	4,350	(4,300)	4,350
Roadwise	Community Amenities	2,872	0	(2,560)	312	0	(312)	0
Community Development	Community Amenities	5,000	0	(5,000)	0	0	0	0
KLC Hall Upgrade	Recreation and Culture	0	0	0	0	24,895	(12,254)	12,641
Youth Services (AGD)	Community Amenities	77,265	56,500	(29,381)	104,384	60,500	(11,653)	153,231
Youth Services (FaCHSIA)	Community Amenities	0	50,000	0	50,000	50,000	(50,000)	50,000
Recreation Services (Attorney General)	Community Amenities	9,227	0	(9,227)	0	0	0	0
Youth Trainee (DLG)	Community Amenities	0	0	0	0	11,500	0	11,500
Weed Control	Community Amenities	2,000	0	(2,000)	0	0	0	0

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

REVENUE AND EXPENSES
2. (Continued)

	Grant/Contribution	Function/ Activity	Opening		Received (+)		Expended (#)		Closing		Closing Balance 30-Jun-12 \$
			Balance (*) 1-Jul-10 \$	Balance (*) 1-Jul-10 \$	2010/11 \$	2010/11 \$	2010/11 \$	2010/11 \$	2011/12 \$	2011/12 \$	
(c) Conditions Over Grants/Contributions											
	Kids in Sport	Recreation and Culture	0	0	0	0	0	0	30,000	(870)	29,130
	Club Development Officer (DSR)	Recreation and Culture	27,066	0	0	(27,066)	0	0	0	0	0
	Kids in Clubs	Recreation and Culture	25,000	0	0	(1,516)	0	0	0	(23,484)	0
	Crime Prevention (Park Lighting)	Community Amenities	0	0	0	0	0	25,000	0	0	25,000
	Regional Local Community Infrastructure Grant	Recreation and Culture	204,000	107,000	0	(115,000)	0	107,000	107,000	(274,330)	28,670
	Roads to Recovery	Transport	361,880	0	0	(131,737)	0	1,322,082	1,322,082	(617,717)	934,508
	Regional Road Group	Transport	191,156	258,080	0	(200,881)	0	728,879	728,879	(194,865)	782,369
	Sustainable Regions Grant	Transport	26,300	0	0	0	0	0	0	0	26,300
	Aboriginal Access Roads	Transport	230,000	250,000	0	(230,000)	0	255,000	255,000	(279,447)	225,553
	Kimberley Development Commission	Economic Development	280,000	0	0	(75,000)	0	100,000	100,000	(217,000)	88,000
	East Kimberley Development Package	Various	6,529,325	5,456,986	0	(10,963,072)	0	1,000,000	1,000,000	(1,462,719)	560,520
	Total		9,854,656	7,235,723		(12,932,767)		6,530,785	(5,205,446)		5,482,951

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 period in the current reporting period in the manner specified by the contributor.

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	1,762,448	2,274,635
Restricted	11,951,406	12,274,685
	<u>13,713,854</u>	<u>14,549,320</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Waste Management	553,690	282,458
Airport	4,184,595	5,784,141
Plant and Equipment	71,705	33,243
Leisure Centre	0	42,140
Parking	279,376	265,090
Non-Potable Water	85,288	80,927
Civic Building	7,001	6,644
East Kimberley Tourism	107,691	100,294
Foreshore Reserve	8,750	41,195
Staff Entitlement	216,644	173,441
Staff Housing	0	158,724
Recreation Hardcourts	62,976	59,755
Bio Security	246,020	233,439
Child Care	106,261	115,446
Parks	329,724	424,816
Developer Contributions Egret Close	0	123,427
Legal Fees	3,233	3,068
Youth Bus	10,816	4,095
Footpaths	194,685	184,730
Unspent Grants - (note 2(c))	5,482,951	4,157,612
	<u>11,951,406</u>	<u>12,274,685</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	753,344	528,206
Sundry Debtors	2,715,843	2,690,512
Less Provision for Doubtful Debts	(325,843)	(126,818)
GST Receivable	0	373,924
Accrued Interest on Investments	0	1,607
Bonds	16,371	16,671
	<u>3,159,715</u>	<u>3,484,102</u>
Non-Current		
Rates Outstanding - Pensioners	9,356	8,246
	<u>9,356</u>	<u>8,246</u>

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
5. INVENTORIES		
Current		
Fuel and Materials	8,338	10,804
Leisure Centre Stock	3,528	4,198
	<u>11,866</u>	<u>15,002</u>
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	0	45,455
Development Costs	23,099	14,736
	<u>23,099</u>	<u>60,191</u>
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	32,778,079	19,678,322
Less Accumulated Depreciation	<u>(6,251,888)</u>	<u>(5,675,834)</u>
	26,526,191	14,002,488
Furniture and Equipment - Cost	1,707,497	1,263,054
Less Accumulated Depreciation	<u>(760,927)</u>	<u>(594,345)</u>
	946,570	668,709
Plant and Equipment - Cost	7,077,377	6,626,119
Less Accumulated Depreciation	<u>(3,584,980)</u>	<u>(3,156,435)</u>
	3,492,397	3,469,684
Work in Progress	<u>405,061</u>	<u>6,107,451</u>
	<u>31,370,219</u>	<u>24,248,332</u>

SHIRE OF WYNDHAM-EAST KIMBERLEY
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 & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Work in Progress \$	Total \$
Balance as at the beginning of the year	14,002,488	668,709	3,469,684	6,107,451	24,248,332
Additions	6,520,158	433,764	779,827	402,037	8,135,786
(Disposals)	(205,762)	0	(85,188)	0	(290,950)
Revaluation - Increments	0	0	0	0	0
- (Decrements)	0	0	0	0	0
Impairment - (losses)	0	0	0	0	0
- reversals	0	0	0	0	0
Depreciation (Expense)	(624,177)	(166,582)	(671,926)	0	(1,462,685)
Other Movements	6,833,484	10,679	0	(6,104,427)	739,736
Carrying amount at the end of year	<u>26,526,191</u>	<u>946,570</u>	<u>3,492,397</u>	<u>405,061</u>	<u>31,370,219</u>

During the financial year a work in progress asset was reclassified from Infrastructure to Property, Plant and Equipment.

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
7. INFRASTRUCTURE		
Roads - Cost	44,265,150	42,508,271
Less Accumulated Depreciation	<u>(14,603,555)</u>	<u>(13,361,680)</u>
	29,661,595	29,146,591
Footpaths - Cost	1,867,686	1,652,399
Less Accumulated Depreciation	<u>(921,399)</u>	<u>(850,268)</u>
	946,287	802,131
Drainage - Cost	1,637,950	1,637,950
Less Accumulated Depreciation	<u>(1,086,487)</u>	<u>(1,071,886)</u>
	551,463	566,064
Bridges - Cost	281,805	281,805
Less Accumulated Depreciation	<u>(34,441)</u>	<u>(25,057)</u>
	247,364	256,748
Airports - Cost	5,581,740	5,357,350
Less Accumulated Depreciation	<u>(1,638,250)</u>	<u>(1,422,225)</u>
	3,943,490	3,935,125
Other Infrastructure - Cost	15,358,376	8,462,289
Less Accumulated Depreciation	<u>(2,805,735)</u>	<u>(2,493,511)</u>
	12,552,641	5,968,778
Work in Progress	<u>1,913,330</u>	<u>7,640,388</u>
	<u>49,816,170</u>	<u>48,315,825</u>

SHIRE OF WYNDHAM-EAST KIMBERLEY
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	Footpaths	Drainage	Bridges	Airports	Other Infrastructure	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	29,146,591	802,131	566,064	256,748	3,935,125	5,968,778	7,640,388	48,315,825
Additions	336,977	215,287	0	0	224,389	1,652,365	1,794,880	4,223,898
(Disposals)	0	0	0	0	0	0	(118,577)	(118,577)
Revaluation - Increments	0	0	0	0	0	0	0	0
- (Decrements)	0	0	0	0	0	0	0	0
Impairment - (losses)	0	0	0	0	0	0	0	0
- reversals	0	0	0	0	0	0	0	0
Depreciation (Expense)	(1,241,875)	(71,131)	(14,601)	(9,384)	(216,024)	(312,225)	0	(1,865,240)
Other Movements	1,419,902	0	0	0	0	5,243,723	(7,403,361)	(739,736)
Carrying amount at the end of year	29,661,595	946,287	551,463	247,364	3,943,490	12,552,641	1,913,330	49,816,170

During the financial year a work in progress asset was reclassified from Infrastructure to Property, Plant and Equipment.

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	1,104,448	1,444,801
Accrued Interest on Debentures	28,431	31,849
Accrued Salaries and Wages	110,804	84,714
Accrued Expenses	500,331	8,112
ATO Liability	147,670	256,442
GST Payable	74,944	0
Retentions	0	544,266
	<u>1,966,628</u>	<u>2,370,184</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge Debentures	<u>249,176</u>	<u>1,114,499</u>
	<u>249,176</u>	<u>1,114,499</u>
Non-Current		
Secured by Floating Charge Debentures	<u>1,849,615</u>	<u>2,098,791</u>
	<u>1,849,615</u>	<u>2,098,791</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	610,059	535,064
Provision for RDO	75,914	65,372
Provision for Long Service Leave	<u>375,678</u>	<u>302,714</u>
	<u>1,061,651</u>	<u>903,150</u>
Non-Current		
Provision for Long Service Leave	<u>96,654</u>	<u>89,878</u>
	<u>96,654</u>	<u>89,878</u>

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012 \$	2012 Budget \$	2011 \$
11. RESERVES - CASH BACKED			
(a) Waste Management			
Opening Balance	282,458	282,458	540,322
Amount Set Aside / Transfer to Reserve	271,232	12,911	38,856
Amount Used / Transfer from Reserve	0	(75,015)	(296,720)
	<u>553,690</u>	<u>220,354</u>	<u>282,458</u>
(b) Airport General			
Opening Balance	5,784,141	5,784,141	4,285,594
Amount Set Aside / Transfer to Reserve	297,892	264,387	1,498,547
Amount Used / Transfer from Reserve	(1,897,438)	(1,876,945)	0
	<u>4,184,595</u>	<u>4,171,583</u>	<u>5,784,141</u>
(c) Plant and Equipment			
Opening Balance	33,243	33,243	138,298
Amount Set Aside / Transfer to Reserve	38,462	1,520	9,945
Amount Used / Transfer from Reserve	0	(33,500)	(115,000)
	<u>71,705</u>	<u>1,263</u>	<u>33,243</u>
(d) Leisure Centre			
Opening Balance	42,140	42,140	69,645
Amount Set Aside / Transfer to Reserve	1,900	1,926	5,009
Amount Used / Transfer from Reserve	(44,040)	(44,066)	(32,514)
	<u>0</u>	<u>0</u>	<u>42,140</u>
(e) Parking			
Opening Balance	265,090	265,090	247,306
Amount Set Aside / Transfer to Reserve	14,286	12,117	17,784
Amount Used / Transfer from Reserve	0	(100,000)	0
	<u>279,376</u>	<u>177,207</u>	<u>265,090</u>
(f) Non-Potable Water			
Opening Balance	80,927	80,927	75,498
Amount Set Aside / Transfer to Reserve	4,361	3,699	5,429
Amount Used / Transfer from Reserve	0	0	0
	<u>85,288</u>	<u>84,626</u>	<u>80,927</u>
(g) Civic Buildings			
Opening Balance	6,644	6,644	6,198
Amount Set Aside / Transfer to Reserve	357	303	446
Amount Used / Transfer from Reserve	0	0	0
	<u>7,001</u>	<u>6,947</u>	<u>6,644</u>

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012 \$	2012 Budget \$	2011 \$
11. RESERVES - CASH BACKED			
(h) East Kimberley Tourism			
Opening Balance	100,294	100,294	91,607
Amount Set Aside / Transfer to Reserve	15,338	14,584	16,587
Amount Used / Transfer from Reserve	(7,941)	(5,000)	(7,900)
	<u>107,691</u>	<u>109,878</u>	<u>100,294</u>
(i) Foreshore Reservation			
Opening Balance	41,195	41,195	38,431
Amount Set Aside / Transfer to Reserve	37,555	55,433	2,764
Amount Used / Transfer from Reserve	(70,000)	0	0
	<u>8,750</u>	<u>96,628</u>	<u>41,195</u>
(j) Staff Entitlement			
Opening Balance	173,441	173,441	170,204
Amount Set Aside / Transfer to Reserve	54,325	7,928	12,240
Amount Used / Transfer from Reserve	(11,122)	(11,122)	(9,003)
	<u>216,644</u>	<u>170,247</u>	<u>173,441</u>
(k) Staff Housing			
Opening Balance	158,724	158,724	148,075
Amount Set Aside / Transfer to Reserve	7,157	1,276	10,649
Amount Used / Transfer from Reserve	(165,881)	(155,000)	0
	<u>0</u>	<u>5,000</u>	<u>158,724</u>
(l) Recreation Hardcourts			
Opening Balance	59,755	59,755	8,168
Amount Set Aside / Transfer to Reserve	3,221	24,732	51,587
Amount Used / Transfer from Reserve	0	(31,000)	0
	<u>62,976</u>	<u>53,487</u>	<u>59,755</u>
(m) Bio Security			
Opening Balance	233,439	233,439	217,778
Amount Set Aside / Transfer to Reserve	12,581	10,670	15,661
Amount Used / Transfer from Reserve	0	0	0
	<u>246,020</u>	<u>244,109</u>	<u>233,439</u>
(n) Childcare			
Opening Balance	115,446	115,446	104,011
Amount Set Aside / Transfer to Reserve	18,342	15,776	17,980
Amount Used / Transfer from Reserve	(27,527)	(11,000)	(6,545)
	<u>106,261</u>	<u>120,222</u>	<u>115,446</u>

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012 \$	2012 Budget \$	2011 \$
11. RESERVES - CASH BACKED			
(o) Parks			
Opening Balance	424,816	424,816	501,735
Amount Set Aside / Transfer to Reserve	21,908	19,418	36,081
Amount Used / Transfer from Reserve	<u>(117,000)</u>	<u>(163,000)</u>	<u>(113,000)</u>
	<u>329,724</u>	<u>281,234</u>	<u>424,816</u>
(p) Developer Contributions - Egret Close			
Opening Balance	123,427	123,427	115,147
Amount Set Aside / Transfer to Reserve	5,566	1,573	8,280
Amount Used / Transfer from Reserve	<u>(128,993)</u>	<u>(125,000)</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>123,427</u>
(q) Legal Fees			
Opening Balance	3,068	3,068	0
Amount Set Aside / Transfer to Reserve	165	140	3,068
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>3,233</u>	<u>3,208</u>	<u>3,068</u>
(r) Youth Bus			
Opening Balance	4,095	4,095	0
Amount Set Aside / Transfer to Reserve	6,721	5,187	4,095
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>10,816</u>	<u>9,282</u>	<u>4,095</u>
(s) Footpaths			
Opening Balance	184,730	184,730	0
Amount Set Aside / Transfer to Reserve	9,955	8,444	184,730
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>194,685</u>	<u>193,174</u>	<u>184,730</u>
TOTAL CASH BACKED RESERVES	<u><u>6,468,455</u></u>	<u><u>5,948,449</u></u>	<u><u>8,117,073</u></u>

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

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

11. RESERVES - CASH BACKED

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

Waste Management

This reserve is for the upgrade and rationalisation of refuse disposal facilities within the Shire.

Airport General

This reserve is for the improvement of Council's airport facilities, and also acts as the 'float' for transferring the profit or loss on the operations of the airports in line with Council Policy F4.

Plant and Equipment

This reserve is for the purchase of major plant and equipment.

Leisure Centre

This reserve is for the capital maintenance and upgrading of the Kununurra Leisure Centre.

Parking

This reserve is for land purchases and/or the construction and maintenance of vehicle parking facilities within the Shire.

Non-Potable Water

This reserve is for the development of non-potable water supply in Wyndham.

Civic Buildings

This reserve is for the construction and or capital maintenance of civic buildings within the shire.

East Kimberley Tourism

This reserve is for the capital maintenance and/or upgrading of East Kimberley Tourism

Foreshore Reservation

This reserve is for maintaining the foreshore of Lake Kununurra, funded from the contributions of leases on portion of reserve 41812.

Staff Entitlement

This reserve is to provide for Shire employee entitlements.

Staff Housing

This reserve is for the purpose of providing for staff housing requirements.

Recreation Hardcourts

This reserve is for the purpose of providing for future capital upgrade of Recreational Hardcourts.

Bio Security

To hold funds for use in emergency situations that threaten the bio security of the East Kimberley

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

11. RESERVES - CASH BACKED

Childcare

To hold lease payments from Kununurra Childcare Centre to provide for capital maintenance of the building.

Parks

To hold funds from the sale of parks provided by the State to undertake major upgrades and to establish new parks and public open spaces in the Shire.

Developer Contributions - Egret Close

To hold funds from developers for the construction of Egret Close.

Legal Fees

To hold funds not expended in any budget year to accumulate to cover any significant legal costs or expenses related to regulatory prosecution and enforcement matters.

Youth Bus

To transfer fees from hire of Youth Buses to provide funds for repairs, maintenance and replacement of the Youth Buses.

Footpaths

To hold developer contributions for construction of footpaths after housing construction is completed in new subdivisions

12. RESERVES - ASSET REVALUATION

The Shire of Wyndham-East Kimberley did not perform an asset revaluation for the financial period 2011/12 and no asset revaluation reserve exists.

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

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 \$	2012 Budget \$	2011 \$
Cash and Cash Equivalents	<u>13,713,854</u>	<u>6,230,811</u>	<u>14,549,320</u>

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

Net Result	8,776,039	15,044,023	10,226,735
Depreciation	3,327,925	2,916,607	3,001,152
(Profit)/Loss on Sale of Asset	(297,107)	(760,643)	(59,376)
(Increase)/Decrease in Receivables	(50,648)	927,780	(1,784,684)
(Increase)/Decrease in Inventories	3,136	(4,196)	(9,930)
Increase/(Decrease) in Payables	(475,082)	(232,000)	402,538
Increase/(Decrease) in GST	448,869	0	(202,909)
Increase/(Decrease) in Interest on Borrowings	(3,418)	0	(3,300)
Increase/(Decrease) in Employee Provisions	165,277	(26,855)	208,321
Grants/Contributions for the Development of Assets	<u>(6,849,310)</u>	<u>(16,105,764)</u>	<u>(8,233,173)</u>
Net Cash from Operating Activities	<u>5,045,681</u>	<u>1,758,952</u>	<u>3,545,374</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	65,000	45,000
Credit Card Balance at Balance Date	<u>(30,164)</u>	<u>(10,292)</u>
Total Amount of Credit Unused	<u>34,836</u>	<u>34,708</u>

Loan Facilities

Loan Facilities - Current	249,176	1,114,499
Loan Facilities - Non-Current	<u>1,849,615</u>	<u>2,098,791</u>
Total Facilities in Use at Balance Date	<u>2,098,791</u>	<u>3,213,290</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

14. CONTINGENT LIABILITIES

A claim of \$422,921 for flood damage to a residential property has been lodged against the Shire. The claim is in discovery stage. Based on advice received, it is believed that the likelihood of a judgement against Shire is remote and in any event the Shire is fully insured.

Notice received from lawyers acting for Racing the Planet Events Ltd, organisers of the Kimberley Ultramarathon. If legal action commences then Racing the Planet Events Ltd plan to cross claim the Shire. There being only limited information in the notice this note is to advise that due to extent of injuries suffered by some of the competitors in that event, legal action is expected.

	2012	2011
	\$	\$

(a) Finance Lease Commitments

The Shire of Wyndham-East Kimberley has no significant or material finance leasing commitments for the year ended 30 June 2012.

(b) Operating Lease Commitments

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

Payable:

- not later than one year	129,118	134,587
- later than one year but not later than five years	22,750	21,445
- later than five years	0	0
	<u>151,868</u>	<u>156,032</u>

(c) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects	1,302,064	5,344,664
- plant & equipment purchases	0	0

Payable:

- not later than one year	1,302,064	5,344,664
- later than one year but not later than five years	0	0
	<u>1,302,064</u>	<u>5,344,664</u>

The capital expenditure project outstanding at the end of the current reporting period represents

Kununurra Pool Liner Replacement	78,750	0
Project Management East Kimberley Regional Airport Terminal U	0	3,564
Construction East Kimberley Regional Airport Terminal Upgrade	0	2,842,542
Kalumburu Road Upgrade Crossings/Floodways	772,312	0
Construction Wyndham Community Jetty	0	633,925
Kalumburu Road Reconstruction	34,810	154,023
Kalumburu Road Resheeting	416,192	0
Construction Staff Housing	0	1,710,610
	<u>1,302,064</u>	<u>5,344,664</u>

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

16. JOINT VENTURE

The Shire of Wyndham-East Kimberley was not involved in any Joint Ventures in the 2011/12 financial year.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2012	2011
	\$	\$
Governance	917,885	920,445
Law, Order, Public Safety	157,693	162,784
Health	54,265	44,754
Education and Welfare	3,515,952	3,579,080
Housing	5,624,117	2,475,612
Community Amenities	2,482,502	2,548,534
Recreation and Culture	15,488,539	13,914,780
Transport	51,754,221	47,966,625
Economic Services	659,558	664,021
Other Property and Services	4,384,819	4,140,684
Unallocated	<u>13,071,411</u>	<u>14,270,382</u>
	<u><u>98,110,962</u></u>	<u><u>90,687,701</u></u>

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011	2010
18. FINANCIAL RATIOS			
Current Ratio	1.618	1.362	1.297
Untied Cash to Unpaid Trade Creditors Ratio	1.607	1.545	1.172
Debt Ratio	0.053	0.073	0.077
Debt Service Ratio	0.055	0.021	0.032
Gross Debt to Revenue Ratio	0.089	0.158	0.196
Gross Debt to Economically Realisable Assets Ratio	0.043	0.076	0.090
Rate Coverage Ratio	0.208	0.202	0.186
Outstanding Rates Ratio	0.106	0.071	0.051

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 WYNDHAM-EAST KIMBERLEY
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 1-Jul-11 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-12 \$
Housing Bonds	17,460	5,800	(17,040)	6,220
ASIC - Airport Security Card	5,750	1,690	(900)	6,540
Terminal Security Access Card	0	700	(100)	600
Footpath Bonds	27,420	24,800	(13,030)	39,190
Hall Hire Bonds - Kununurra Leisure Centre	2,850	29,400	(24,600)	7,650
Hall Hire Bonds - Peter Reid Memorial Hall	0	9,100	(9,000)	100
Hire Bonds - Youth Centre	4,500	18,000	(14,000)	8,500
Oval Hire Bonds - Wyndham Oval	400	1,000	(1,200)	200
Cash in Lieu of Public Open Space	366,275	21,044	0	387,319
Lease Bonds	10,000	0	0	10,000
Election Nomination Bonds	0	0	0	0
Kimberley Zone Aboriginal Housing Project	11,409,164	463,876	(10,031,148)	1,841,892
Builders Registration Board	81	10,230	(7,810)	2,501
Building Construction Industry Trust Fund	2,628	85,663	(82,895)	5,396
Kununurra 50th Birthday	6,600	705	0	7,305
50th Anniversary Number Plates	9,625	16,064	(13,964)	11,725
Transport Clearing Account	0	258,564	(258,564)	0
Other Trust Funds	80	1,975	(1,370)	685
	<u>11,862,833</u>	<u>948,611</u>	<u>(10,475,621)</u>	<u>2,335,823</u>

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

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 \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing						
LB181 - 3 Eucalyptus Way	205,760	211,587	553,588	550,000	347,828	338,413
LB108/180 - 23 Boobiella Street	0	40,956	0	400,000	0	359,044
Other Property and Services						
Light Plant						
P104 - Holden Rodeo Crew Cab LX	664	664	6,364	10,909	5,700	10,245
P106 - Toyota Hilux Dual Cab	0	11,308	0	15,455	0	4,147
P107 - Toyota Prado GXL	16,737	16,737	36,364	27,273	19,627	10,536
P108 - Toyoto Corolla	6,935	10,275	9,273	9,091	2,338	(1,184)
P109 - Toyota Prado GXL	24,466	33,648	36,363	27,273	11,897	(6,375)
P204 - Toyota Landcruiser TD	940	940	19,091	20,455	18,151	19,515
P213 - Holden Rodeo	8,622	8,622	91	0	(8,531)	(8,622)
P215 - Holden Rodeo DX	0	8,851		10,909	0	2,058
P302 - Nissan Navara S Cab	0	587		8,636	0	8,049
P303 - Toyota Hilux 3LTD	0	0		12,272	0	12,272
P327 - Nissan Navara S Cab	0	581		6,364	0	5,783
P466 - Toyota Landcruiser 5M TD	17,329	17,328	30,000	18,182	12,671	854
P468 - Holden Astra Sedan	0	8,208		9,092	0	884
P334 - MIL-TEK Waste Press (III)	9,497	0	5,500	0	(3,997)	0
Medium Plant						
P331 - Wyndham 3 Tonne Truck	0	8,439	0	18,000	0	9,561
P335 - John Deere Ride on Mower	0	0	10,000	6,000	10,000	6,000
P362 - Kubota Ride on Mower		16,099		14,000	0	(2,099)
Airport Plant						
P369 - Holden Commodore	0	17,529	0	9,091	0	(8,438)
Recreation and Culture						
Kununurra Community Oval (I)	32,473	0	0	0	(32,473)	0
Transport						
WANDRRA Road Activity (II)	86,104	0	0	0	(86,104)	0
	409,527	412,359	706,634	1,173,002	297,107	760,643

(I) Kununurra Community Oval represents initial costs held in uncompleted works Infrastructure. Project did not proceed to establishment of asset.

(II) WANDRRA Road Activity held in uncompleted works Infrastructure. Identified was maintenance expenses.

(III) P334 MIL-TEK Waste Press returned to supplier as unsuitable and arrangement made to repurchase less incurred costs.

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1-Jul-11 \$	New Loans \$	Principal Repayments		Principal 30-Jun-12		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance								
L122 Administration Building Land	452,982		39,273	39,273	413,709	413,709	26,990	26,990
L124 Administration Building Bridging	0		0	0	0	0	0	50,000
Education and Welfare								
L120 Kununurra Childcare Centre	501,459		46,425	46,425	455,034	455,034	29,698	29,698
Housing								
L115 Staff Housing	97,838		10,628	10,628	87,210	87,210	5,641	5,641
L121 Staff Housing	880,000		880,000	880,000	0	0	47,270	47,270
L123 Staff Housing	0		0	0	0	150,000	0	1,925
Recreation and Culture								
L113 KNX Aquatic Centre Refurbishment	546,671		59,382	59,382	487,289	487,288	31,521	31,521
L114 WYN Recreation Centre	229,308		24,909	24,909	204,400	204,399	13,222	13,222
L118 KNX Youth Centre	192,779		21,979	21,979	170,799	170,800	13,508	13,508
L119 Multi Purpose Courts	312,253		31,903	31,903	280,350	280,350	17,071	17,071
	3,213,290	0	1,114,499	1,114,499	2,098,791	2,248,790	184,921	236,846

All loan repayments were financed by general purpose revenue.

(b) New Debentures - 2011/12

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
L124 Administration Building Bridging	0	1,500,000	N/A	N/A	N/A	N/A	N/A	0	1,500,000	0
L123 Staff Housing	0	150,000	N/A	N/A	N/A	N/A	N/A	0	150,000	0

(c) Unspent Debentures - Council had no unspent debentures at 30 June 2012.

(d) Overdraft - Council has no overdraft facility.

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

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											
GRV - Townsites	7.5116	1,677	55,290,977	4,153,237	189,372	14,971	4,357,580	4,157,728	15,000	0	4,172,728
GRV - Other	6.0093	0	101,759	6,115	0	0	6,115	6,115	0	0	6,115
UV - Rural Agriculture 1	0.5091	100	107,724,023	548,423	1,060	523	550,006	548,423	0	0	548,423
UV - Rural Agriculture 2	0.4561	113	57,446,000	262,011	3,241	27	265,279	262,011	0	0	262,011
UV - Rural Residential	0.6843	172	53,007,599	362,731	(1,328)	(348)	361,055	362,731	0	0	362,731
UV - Other	0.4826	9	5,313,096	25,641	5,188	0	30,829	25,641	10,000	0	35,641
UV - Pastoral	2.1959	22	9,465,959	207,863	(3,248)	(2,706)	201,909	207,863	0	0	207,863
UV - Mining	20.0000	112	2,722,105	544,421	49,858	1,285	595,564	544,421	0	0	544,421
Sub-Totals		2,205	291,071,518	6,110,442	244,143	13,752	6,368,337	6,114,933	25,000	0	6,139,933
Minimum Rates											
GRV - Townsites	875	351	2,621,191	307,125	0	0	307,125	307,125	0	0	307,125
GRV - Other	875	0	0	0	0	0	0	0	0	0	0
UV - Rural Agriculture 1	875	8	668,777	7,000	0	0	7,000	7,000	0	0	7,000
UV - Rural Agriculture 2	875	0	0	0	0	0	0	0	0	0	0
UV - Rural Residential	875	1	0	875	0	0	875	875	0	0	875
UV - Other	875	1	120,904	875	0	0	875	875	0	0	875
UV - Pastoral	875	3	73,335	2,625	0	0	2,625	2,625	0	0	2,625
UV - Mining	1,160	64	132,871	74,240	0	0	74,240	74,240	0	0	74,240
Sub-Totals		428	3,617,078	392,740	0	0	392,740	392,740	0	0	392,740
Ex-Gratia Rates							6,761,077				6,532,673
Specified Area Rate (refer note 23)							3,465				2,900
							0				0
Discounts (refer note 25)							6,764,542				6,535,573
Excess Rates							(160,925)				(140,000)
Totals							24,385				(46,706)
							6,628,002				6,348,867

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

22. RATING INFORMATION - 2011/12 FINANCIAL YEAR

(b) Information on Surplus/(Deficit) Brought Forward

	2012 (30 June 2012 Carried Forward) \$	2012 (1 July 2011 Brought Forward) \$	2011 (30 June 2011 Carried Forward) \$
Surplus/(Deficit)	<u>8,457,035</u>	<u>7,567,850</u>	<u>7,677,243</u>
Comprises:			
Cash - Unrestricted	1,762,448	2,274,635	2,274,635
Cash - Restricted Reserves	6,468,455	8,117,073	8,117,073
Cash - Restricted Unspent Grants	5,482,951	4,157,612	4,157,612
Rates - Current	753,344	528,206	528,206
Sundry Debtors	2,715,843	2,690,512	2,690,512
Less Provision for Doubtful Debts	(325,843)	(126,818)	(126,818)
Net GST (Payable)/Receivable	(74,944)	373,924	373,924
Accrued Interest on Investments	0	1,607 *	0
Bonds	16,371	16,671	16,671
Inventories			
- Fuel and Materials	8,338	10,804	10,804
- Leisure Centre Stock	3,528	4,198	4,198
Other Financial Assets	6,683	6,683 *	0
Less:			
Reserves - Restricted Cash	(6,468,455)	(8,117,073)	(8,117,073)
Sundry Creditors	(1,104,448)	(1,444,801)	(1,444,801)
Other balances	0	0 *	1,120
Accrued Interest on Debentures	(28,431)	(31,849) *	0
Accrued Salaries and Wages	(110,804)	(84,714) *	0
Accrued Expenses	(500,331)	(8,112)	(8,112)
ATO Liability	(147,670)	(256,442)	(256,442)
Retentions	0	(544,266)	(544,266)
Current Employee Benefit Provision	(1,061,651)	(903,150) *	0
Add: Component of Employee Liability not required to be funded	1,061,651	903,150 *	0
Surplus/(Deficit)	<u>8,457,035</u>	<u>7,567,850</u>	<u>7,677,243</u>

There was a difference of \$109,393 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.

Previously some movements were adjusted via non-cash expenditure and revenue. Also all actual current balances have now been included in the calculation of the net current asset position (surplus/(deficit)) as at the relevant date and treated as exclusions where applicable. There was no change to the underlying budget in relation to this as the change in methodology effected opening and closing positions in the same way. An* has been placed adjacent to the items that have changed due to the change in methodology.

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

23. SPECIFIED AREA RATE - 2011/12 FINANCIAL YEAR

The Shire of Wyndham-East Kimberley conducted no specified area rating for the 2011/12 financial year.

24. SERVICE CHARGES - 2011/12 FINANCIAL YEAR

The Shire of Wyndham-East Kimberley collected no service charges for the 2011/12 financial year.

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	5.00%	160,925	140,000
			160,925	140,000
Rate Assessment	Waiver	N/A	875	875
Rate Assessment	Write-Off	N/A	577	0

A discount on rates is granted to all who pay their rates in full within 14 days of the date of service appearing on the rate notice.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	0	92,476	45,000
Interest on Instalments Plan	5.00%	0	20,912	16,000
			113,388	61,000
Charges on Instalment Plan	0	5	5,805	5,000
			119,193	66,000

Ratepayers had the option of paying rates in four equal instalments, due on 5 September 2011, 7 November 2011, 9 January 2012 and 12 March 2012. Administration charges and interest applied for the final three instalments.

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
STATEMENT BY CHIEF EXECUTIVE OFFICER

27. FEES & CHARGES	2012	2011
	\$	\$
Governance	2,933	22,281
General Purpose Funding	14,882	16,793
Law, Order, Public Safety	16,548	15,503
Health	57,409	46,086
Education and Welfare	115,315	65,825
Housing	188,625	133,168
Community Amenities	1,774,357	1,488,308
Recreation and Culture	399,937	286,971
Transport	3,858,692	3,893,967
Economic Services	143,927	163,966
Other Property and Services	0	0
	<u>6,572,625</u>	<u>6,132,868</u>

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

28. GRANT REVENUE

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

	2012	2011
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	8,651,691	6,932,806
Non-Operating Grants, Subsidies and Contributions	7,952,478	8,233,173
	<u>16,604,169</u>	<u>15,165,979</u>
By Program:		
Governance	2,854,043	1,054,426
General Purpose Funding	5,481,230	4,154,577
Law, Order, Public Safety	24,629	38,272
Health	0	0
Education and Welfare	56,552	50,790
Housing	1,079,268	0
Community Amenities	423,399	1,069,266
Recreation and Culture	1,339,253	4,929,601
Transport	5,180,094	3,529,946
Economic Services	100,000	0
Other Property and Services	65,701	339,101
	<u>16,604,169</u>	<u>15,165,979</u>

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

29. ELECTED MEMBERS REMUNERATION	2012	2012	2011
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	62,400	62,400	60,000
President's Allowance	18,720	18,720	18,000
Deputy President's Allowance	4,680	4,680	4,500
Travelling Expenses	4,527	2,000	2,499
Technology Allowance	9,000	9,000	9,000
Telecommunications Allowance	21,600	21,600	21,600
	<u>120,927</u>	<u>118,400</u>	<u>115,599</u>

30. EMPLOYEE NUMBERS	2012	2011
The number of full-time equivalent employees at balance date		
	<u>89</u>	<u>78</u>

31. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2011/12 financial year.

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 WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

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.

	Carrying Value		Fair Value	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	13,713,854	14,549,320	13,713,854	14,549,320
Receivables	3,159,715	3,484,102	3,159,715	3,484,102
Other Financial Assets	6,683	6,683	6,683	6,683
	<u>16,873,569</u>	<u>18,033,422</u>	<u>16,873,569</u>	<u>18,033,422</u>
Financial Liabilities				
Payables	1,966,628	2,370,184	1,966,628	2,370,184
Borrowings	2,098,791	3,213,290	2,095,672	2,361,434
	<u>4,065,419</u>	<u>5,583,474</u>	<u>4,062,300</u>	<u>4,731,618</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

SHIRE OF WYNDHAM-EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

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	137,139	145,493
- Statement of Comprehensive Income	137,139	145,493

SHIRE OF WYNDHAM-EAST KIMBERLEY
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:

	2012	2011
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	79.00%	77.91%
- Overdue	21.00%	22.09%

SHIRE OF WYNDHAM-EAST KIMBERLEY
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 Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Year Ended 30 June 2012								
Payables	0	0	0	0	0	0	0	
Borrowings	0	0	0	0	0	0	0	
Fixed Rate								
Debtentures	0	0	0	0	0	2,098,791	2,098,791	6.21%
Weighted Average Effective Interest Rate								6.14%
Year Ended 30 June 2011								
Payables	0	0	0	0	0	0	0	
Borrowings	0	0	0	0	0	0	0	
Fixed Rate								
Debtentures	880,000	0	0	0	0	2,333,290	3,213,290	5.92%
Weighted Average Effective Interest Rate								6.14%

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF WYNDHAM – EAST KIMBERLEY**

Report on the Financial Report

We have audited the accompanying financial report of the Shire of Wyndham – East Kimberley, 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 Wyndham – East Kimberley 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 WYNDHAM – EAST KIMBERLEY (Continued)**

Report on Other Legal and Regulatory Requirements

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

Budget Review

The budget review for the year ended 30 June 2012 was not submitted to the Department of Local Government within 30 days from the date of adaptation by the Council as required by Financial Management Regulation 33(A).

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) Except as noted above, 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



DAVID TOMASI
PARTNER

Date: 3 December 2012
Perth, WA