



Annual Report 2013/14

Please see below amended information for page 16, Section 6.2, Staff Summary.

The number of employees with salaries over \$100,000 for the year 2013-2014 is reflected in the below table:

\$100,000 - \$109,999	\$110,000 - \$119,999	\$120,000 - \$129,999	\$130,000 - \$139,999	\$140,000 - \$149,999	\$150,000 - \$159,999	\$160,000 - \$169,999	\$170,000 - \$179,999	\$180,000 - \$189,999	\$190,000 - \$199,999	\$200,000 - \$209,999
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SHIRE of WYNDHAM | EAST KIMBERLEY

ANNUAL REPORT

2013 | 2014

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1 INTRODUCTION

1.1 Shire of Wyndham East Kimberley Profile

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

20 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: Monday to Friday 8:00am - 4:00pm

Ordinary Council Meetings occur on a Tuesday 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: 246 (km)
Length of unsealed roads: 1085 (km)
Population: 6,952 (Australian Bureau of Statistics 2011 Census)
Number of Electors: 3,838
Total number of Full Time Employees (FTE's): 88

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

Kimberley Moon Experience, Lake Argyle Swim, Barramundi Concert, Kununurra Agricultural Show, Kimberley Writers Festival, The Gibb Challenge, Ord River Dragon Boat Marathon, Kununurra Rodeo, Kununurra and Wyndham Races, Stars on the Bastion, and Dam 2 Dam.

Local Industry

Tourism, Agriculture, Aquaculture, Mining, Government Services 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, Kalumburu Road, The Grotto, Ivanhoe Crossing, Kelly's Knob, Kununurra Diversion Dam/Lake Kununurra, Lake

Argyle, Lily Creek Lagoon, 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.



View from the Bastion, Wyndham

1.2 Shire of Wyndham East Kimberley Vision and Mission

Vision

For the East Kimberley to be a thriving community with opportunities for all.

Mission

To enable the East Kimberley to develop in a manner that will achieve social, cultural, economic and environmental benefits for all.

DID YOU KNOW?

- *The Shire of Wyndham East Kimberley covers an area of 121,000 square kilometres, stretching from Lake Argyle to Kalumburu.*
- *Some of the world's oldest art, by one of the world's oldest living cultures can be found in the Shire. Archaeological dating has placed the Gyorn Gyorn (Bradshaw) paintings among the oldest discovered in the world.*
- *Lake Argyle is large enough to be classified as an inland sea. It holds 32 million cubic metres of water. That's more than 18 times the size of Sydney Harbour.*



The Council's 2013-2014 year was highlighted by some significant projects that were delivered in line with the Council's Strategic Community Plan 2012-2022.

We commenced the development of a Local Planning Strategy to ensure town planning meets the needs of both residential and business communities.

Major projects included the asphaltting of the towns roads, and improved car parking at the East Kimberley regional airport

along with some major drainage works to reduce the ongoing risk of flood damage. The overdue reconstruction of Erythrina Street was completed to solve ongoing maintenance issues. Council also moved to accept significant grant funding which will see a re-invigoration of the Lily Creek Lagoon boating facilities over the next two years.

Management of the Kununurra landfill site was improved significantly to the point where we are confident of gaining the Department of Environment Regulation's approval to operate it for up to 10 years more. This should give us a sufficient reserve with which to decommission the current site and set up a new facility for when the time comes.

The flood events of February and March were a significant event for the Shire and I am proud of the response and communication strategy that was implemented on the flood days. These events have a long term impact as they exposed the Shire to large unbudgeted expenses.

The year ahead will be a tough one for the Shire of Wyndham East Kimberley, requiring Council to make difficult decisions.

The Council is mindful of additional costs being imposed on residents, and attempts to keep rises within reasonable limits, while ensuring that rate increases support the increasing costs of service delivery.

The period of significant development within the Shire is over and we are now moving to core service delivery with a focus on regulatory requirements, risk mitigation and both asset and financial sustainability.

The Shire will continue to deliver on the Council's Strategic Community Plan 2012-2022 and are determined to deliver on the objective of "strong community engagement" by continually investigating and implementing options to encourage and integrate community input in Council planning, policies and decision making.

The Councillors and staff look forward to working together throughout 2014-2015 to ensure the Shire of Wyndham East Kimberley continues to be a great place to work, live and play.

Regards

Cr John Moulden

Cr John Moulden, Shire President



The Shire of Wyndham East Kimberley has continued to deliver the strategies outlined in the Strategic Community Plan 2012-2022.

This annual report presents the outcomes achieved throughout the year, against these goals and strategies. It also presents the Shire's financial statements.

Major initiatives that were addressed by the Shire in 2013-2014 included the development of a new Local Planning Strategy that will guide the future development of the Shire of Wyndham East Kimberley and the completion of the East Kimberley Tourism Action Plan which will be implemented in partnership with the East Kimberley Marketing Group.

Major infrastructure projects included asphaltting of town centre roads along Coolibah Drive / Konkerberry Drive and connecting streets, reconstruction of Erythrina Street and widening of Coolibah Drive in front of the Kununurra District High School.

Works undertaken at the landfill included recycling of the concrete / steel piles, construction of the new liquid waste lagoons, new gate houses with electronic record keeping, fencing upgrades and extension of the site to provide cover material into the future.

The year was also marked by the significant impact of the February 2014 flood event across the Shire with major damage to Kununurra infrastructure. The Shire is proud of the immediate response that was provided to support the community during and after this event. The Shire is on track to complete an estimated \$4.5 million in repairs by end of 2014, a great achievement.

The Shire of Wyndham East Kimberley welcomed five new Councillors after the October 2013 Ordinary Elections.

The 2014-2015 year promises to be a big year with the Shire driven to continue to perform strongly under difficult economic circumstances. The year will be highlighted by an emphasis on prudent financial management given major grant reductions and improvement to its governance and legislative requirements.

I would like to thank staff for their continued commitment to providing services to the community and I would like to thank our Councillors who have supported the implementation of our Strategic Community Plan to ensure that the long-term vision for the Shire is achieved.

Regards

A handwritten signature in black ink, which appears to read 'Louise Gee'. The signature is fluid and cursive, written in a professional style.

Louise Gee, Acting Chief Executive Officer

4 COUNCILLORS

The Council of the Shire of Wyndham East Kimberley consists of nine elected members. The role of the Councillors is to represent the community, provide leadership and guidance, facilitate communication between community and Council, make decisions on matters before Council, determine Council policy, govern finances and provide forward planning and evaluation of progress.

Cr John Moulden



Shire President
Elected 2007
Term expires 2015

**Cr Raymond (Spike)
Dessert**



Deputy Shire President
Elected 2010
Term expires 2015

Cr Sophie Cooke



Elected 2013
Term expires 2017

Cr Beau Robinson



Elected 2013
Term expires 2017

Cr Darren Spackman



Elected 2013
Term expires 2017

Cr Don Learbuch



Elected 2013
Term expires 2015

Cr Gary King



Elected 2013
Term expires 2015

Cr Glenn Taylor



Elected 2013
Term expires 2015

Cr Keith Wright



Elected 2013
Term expires 2017

Cr Jane Parker



Elected 2005
Term expired October
2013

Cr Jackie McCoy



Elected 2009
Term expired October
2013

Cr Di Ausburn



Deputy Shire President
Elected 2006
Term expired October
2013

Cr Ralph Addis



Elected 2007
Resigned October 2013

**Cr Cissy Gore-Birch
Gault**



Elected 2011
Resigned July 2013

5 COUNCIL

5.1 Council Meetings

Council met monthly throughout the year for Ordinary Meetings of Council and scheduled seven Special Meetings to ensure continuity of business and governance. All Council Minutes for 2013-2014 are available on the Shire's website.

5.1.1 Councillor Meeting Attendance

Councillor	Council Meeting Type			Attendance Rate / Meetings Held
	Ordinary Council Meetings Attended	Special Council Meetings Attended	Total Meetings Held	
Cr John Moulden	12	7	19	100%
Cr Di Ausburn*	3	2	5	100%
Cr Ralph Addis*	0	0	4	0%
Cr Raymond (Spike) Dessert	11	7	19	95%
Cr Jane Parker*	3	1	5	80%
Cr Jackie McCoy*	3	1	5	80%
Cr Cissy Gore-Birch Gault*	0	N/A	1	0%
Cr Don Learbuch	9	7	19	84%
Cr Maryanne Kelly*	2	0	5	40%
Cr Sophie Cooke*	8	3	14	79%
Cr Keith Wright*	9	4	14	93%
Cr Beau Robinson*	9	5	14	100%
Cr Darren Spackman*	9	4	14	93%
Cr Glenn Taylor*	8	5	14	93%
Cr Gary King*	9	4	14	93%

*Councillors Ausburn, Addis, Parker, McCoy, Gore-Birch Gault, Kelly, Cooke, Wright, Robinson, Spackman, Taylor and King were not elected members for the whole of the 2013-2014 financial year, as such the total meetings held during their time in office was varying.

5.2 Council Ordinary Election – October 2013

An Ordinary Election was held on Saturday 19 October 2013. There were four vacancies for four year terms of office expiring 2017 and two vacancies for two year terms of office expiring 2015. The following Councillors were elected:

Cr Keith Wright (expiry 2017)

Cr Sophie Cooke (expiry 2017)

Cr Beau Robinson (expiry 2017)

Cr Darren Spackman (expiry 2017)

Cr Glenn Taylor (expiry 2015)

Cr Gary King (expiry 2015)

5.3 Council Committees

Council operated six Committees during the year. Other than the Audit (Finance and Risk) Committee which has been delegated by the Council to meet annually with the Shire of Wyndham East Kimberley's auditors, all remaining Committees have neither delegations nor decision making authority. All Committees make recommendations to the full Council, with decisions being made by the Council.

5.3.1 Audit (Finance and Risk) Committee

Each local government is required to have an audit committee to exercise the powers and discharge the duties conferred on it. The Council's Audit (Finance and Risk) Committee's Terms of Reference as endorsed by the Council outlines the duties and responsibilities of the Committee. In addition to this legislated purpose, the Audit (Finance and Risk) Committee provides guidance and assistance to the Council in relation to:

- Financial Management
- Risk Management
- Internal Controls
- Legislative Compliance
- Internal and external audit planning and reporting.

The Committee's Terms of Reference were amended during 2013-2014 to expand the responsibilities to ensure that they included the new legislative requirements associated with the biennial review and to recommend that it be provided delegated authority from the Council to meet with the external auditor on an annual basis as required by the Act. As the Committee was delegated authority from the Council, the Committee meetings became open to the public to facilitate openness and transparency with the community.

The Audit (Finance and Risk) Committee representatives were Cr John Moulden, Cr Ralph Addis (ended October 2013), Cr Di Ausburn (ended October 2013), Cr Jane Parker (ended October 2013), Cr Keith Wright - Chairperson (commenced October 2013), Cr Darren Spackman (commenced October 2013) and Cr Beau Robinson (commenced October 2013).

5.3.2 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.

The CEO Review Committee representatives were Cr John Moulden, Cr Ralph Addis (ended October 2013), Cr Di Ausburn (ended October 2013) and Cr Cissy Gore-Birch Gault (ended July 2013), Cr Keith Wright (commenced October 2013) and Cr Sophie Cooke (commenced October 2013).

5.3.3 Local Emergency Management Committees (LEMC)

The LEMACs (Kununurra and Wyndham) are established by the respective local government and are empowered by the Emergency Management Act 2005 to plan and respond to emergencies on behalf of the community. These are representative committees to provide a network of skills, knowledge and advice to assist the local government and other emergency service providers in ensuring that the local emergency management arrangements are established for its area.

The LEMAC representatives were Cr Jackie McCoy (Wyndham, ended October 2013), Cr Di Ausburn (Kununurra, ended October 2013) and Cr Gary King (Wyndham & Kununurra, commenced October 2013).

5.3.4 Community and Civic Events Committee

The role of the Committee is to oversee community and civic events within the municipality. There are several significant events that occur in our Shire being the Ord Valley Muster, Stars on the Bastion, Australia Day, and Anzac Day and from time to time there are events that may require Shire support and assistance where there are community and civic impacts.

The Shire is already a significant contributor to major events and the Committee provides a strategic approach to community and civic event management.

The Community and Civic Events Committee representatives were Cr Di Ausburn (ended October 2013), Cr Jane Parker (ended October 2013), Rob Drew (Wyndham Area Services Manager, commenced October 2013) and Cr Keith Wright (commenced October 2013).

5.3.5 Lake Kununurra Foreshore Committee

Formed in February 2012, this Committee was established following significant public debate around the Lake Kununurra Foreshore Plan. Interested parties from the community, tourism industry and government agencies came together with the principal purpose of reviewing the guiding document, for decision making on land use, development and recreational proposals.

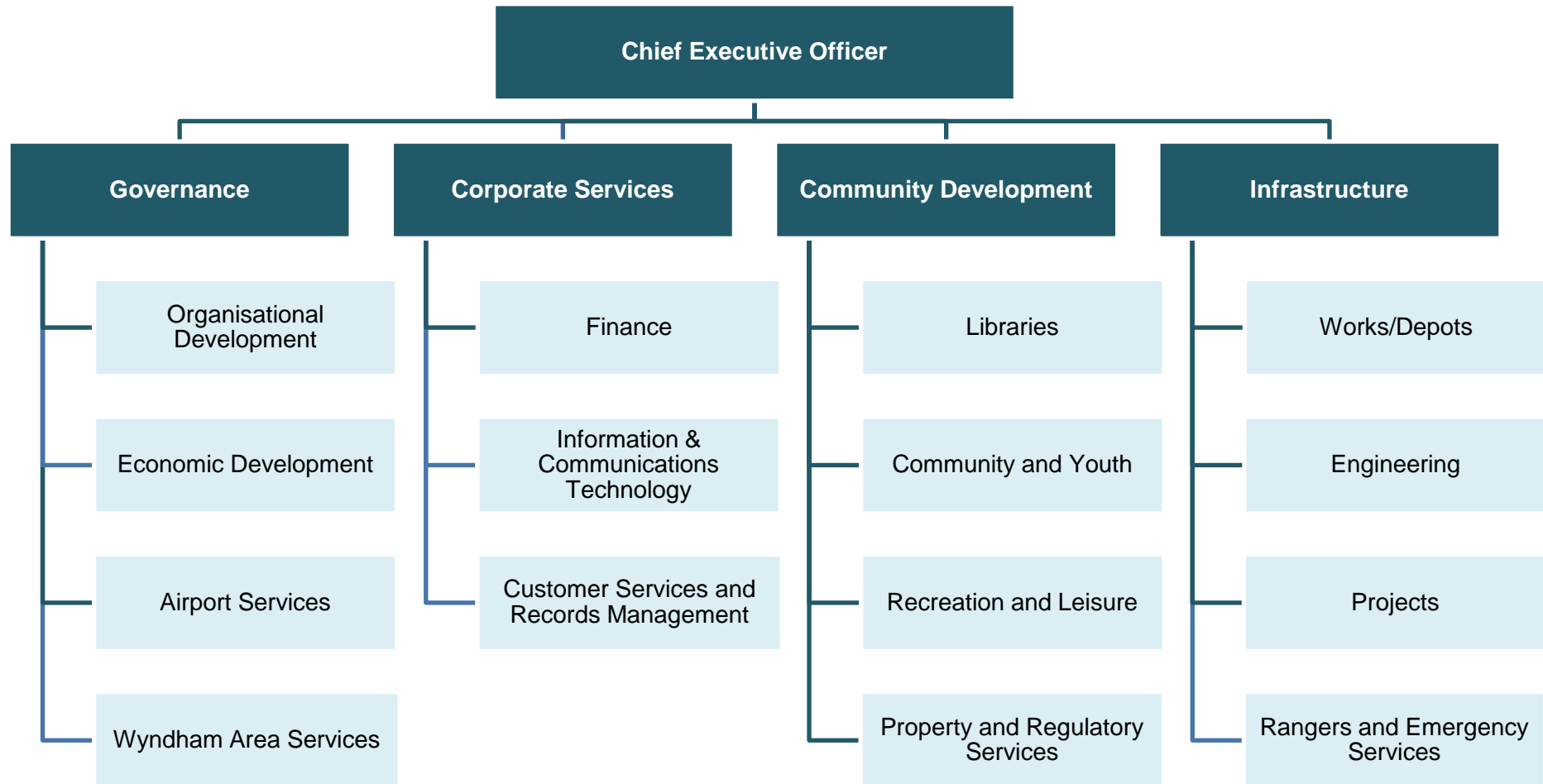
The Lake Kununurra Foreshore Committee representatives were Cr Ralph Addis (ended October 2013), Cr John Moulden and Cr Darren Spackman (commenced October 2013).

5.3.6 Disability Access and Inclusion Planning Committee

Under the Disability Services Act 1993, the Shire are required to have a Disability Access & Inclusion Plan (DAIP). The Disability Access and Inclusion Planning Committee was established by the Council and meets biannually. The objective of the Committee is to oversee and advise on the implementation, review and evaluation of the DAIP.

The Disability Access and Inclusion Planning Committee representatives were Cr Beau Robinson and Cr Don Learbuch.

6 ORGANISATIONAL STRUCTURE (AS OF JUNE 2014)



6.1 Directorate Summary

As of June 2014, the Chief Executive Officer was Mr Gary Gaffney. The four Directorates oversaw the following:

Governance CEO, Mr Gary Gaffney	Corporate Services Director, Ms Natalie Octoman	Community Development Director, Ms Louise Gee	Infrastructure Director, Mr Kevin Hannagan
<ul style="list-style-type: none"> ▪ Office of the Chief Executive ▪ Council Support & Secretariat ▪ Governance Administration ▪ Corporate Communications ▪ Economic Development ▪ Wyndham Area Services ▪ Integrated Planning ▪ Human Resources ▪ Occupational Health and Safety ▪ Airport Operations 	<ul style="list-style-type: none"> ▪ Corporate Administration ▪ Information & Communications Technology ▪ Financial Services ▪ Customer Services ▪ Records Management ▪ Freedom of Information 	<ul style="list-style-type: none"> ▪ Community Administration ▪ Libraries ▪ Strategic Planning ▪ Childcare ▪ Community Capacity Strengthening ▪ Disability Access ▪ Youth Services ▪ Club Development ▪ Leisure Facility Management ▪ Recreation Services and Programs ▪ Property and Regulatory Services Administration ▪ Buildings Applications and Permits ▪ Land Use Planning ▪ Property and Facility Maintenance ▪ Environmental Health Services 	<ul style="list-style-type: none"> ▪ Infrastructure Services Administration ▪ Ranger Services ▪ Emergency Services ▪ Asset Management ▪ Design and Development ▪ Project Delivery ▪ Depot Services Administration ▪ Plant and Equipment ▪ Roads and Bridges ▪ Footpaths, Trails and Cycle ways ▪ Drainage Systems ▪ Parks, Ovals and Reserves ▪ General Assets ▪ Waste Management

6.2 Staff Summary

	2009/ 10	2010/ 11	2011/ 12	2012/ 13	2013/2014
Number of Full Time Staff	76	81	89	107	88
Total Number of Staff	89	105	111	125	138
% Male Staff	54%	54%	52%	52%	50%
% Female Staff	46%	46%	48%	48%	50%
% Indigenous Staff	9%	14%	8%	8%	11%
Trainees/Student placements	2	4	2	2	1
Staff Turnover	46%	23%	37%	32%	34%
% of Staff Engaged in Training	95%	98%	95%	76%	73%
% Staff Engaged in Professional Development	30%	30%	30%	26%	17%

The number of employees with salaries over \$100,000 for the year 2013-2014 is reflected in the below table:

\$100,000 – \$109,999	\$110,000 – \$119,999	\$120,000 – \$129,999	\$130,000 – \$139,999	\$140,000 – \$149,999	\$150,000 – \$159,999	\$160,000 – \$169,999	\$170,000 – \$179,999	\$180,000 – \$189,999	\$190,000 +
1	1	2	0	0	2	1	0	0	1

This report summarises the Shire of Wyndham East Kimberley's progress during the 2013-2014 financial year toward attaining the goals, strategies and outcomes set out in the Shire's Strategic Community Plan 2012-2022

7.1 Strategic Community Plan 2012 – 2022, Goal 1

Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability.

HIGHLIGHTS

- *The Shire's Facebook page was at times updated hourly during the February 2014 flood events to keep the community informed of flooded roads and impacts on water and electricity supply.*
- *The Shire had the opportunity to advocate issues and opportunities for the region during visits by the Prime Minister and the Governor General.*
- *A new Strategic Rating policy was adopted by the Council to assist with ensuring the financial sustainability of the Shire into the future.*

7.1.1 Media

The Shire utilised a range of media channels throughout 2013-2014 to keep the community informed of its activities, seek feedback and provide a forum for two way communication between the community and the Shire.

Channels that were utilised include the Shire Facebook page which throughout 2013-2014 had an average 16.5 visits per day to the page and an average of 6 engagements with the page per day (engagement being a like, comment or share). The Shire Facebook site was a crucial communication tool during the February 2014 flood event in Kununurra. At some stages, hourly updates were made to inform the community of the status of flooded roads and impacts on water and electricity supply. The Facebook site was also used by the community to ask urgent questions related to the flooding and was a key tool in being able to respond promptly to these requests.

In December 2013, a new version of the Shire's official website, www.swek.wa.gov.au was launched. The new site improved the user experience for the community and was more visually appealing. The new Content Management System created internal efficiencies as it made updating and managing the site easier for staff.

Other media channels used to ensure strong community engagement were weekly paid advertorials (SWEK News) in the Kimberley Echo and paid advertisements in the Kimberley Echo and West Australian newspapers as required. For 2013-2014 some 240 pieces of information were disseminated to the community via media channels.

7.1.2 Australia Day

The Shire organised and co-ordinated a highly successful Australia Day celebration with an estimated 400 people attending either the Kununurra Leisure Centre or the lawns of the Shire office in Wyndham. Activities and entertainment included a free breakfast barbeque with the assistance of Rotary, a performance by Addicted to Dance, flag raising procession, colouring in competition, tea and coffee supplied by the Country Womens Association and best dressed prizes. The Kununurra event was originally scheduled to be held at Swim Beach however due to the weather was moved to the Leisure Centre. Community feedback was positive with many commenting that they enjoyed the morning.



Rotary BBQ, Australia Day 2014, Kununurra

7.1.3 Citizenship Ceremonies

During 2013 – 2014 the Shire of Wyndham East Kimberley conducted 5 Citizenship Ceremonies at which 52 people (13 of which were children) became Australian Citizens. The participants were from countries including South Africa, Zimbabwe, Vietnam, United Kingdom, France, Republic of Ireland, India, Nigeria, Northern Ireland, Fiji and the Czech Republic.

The new citizens pledged their loyalty to Australia in the ceremonies conducted by Cr Di Ausburn or Cr Keith Wright in front of their family, friends and community members.

In May 2014, for the first time, one of the Citizenship Ceremonies was included in the Moon Fair program as part of the Ord Valley Muster.

7.1.4 Community Engagement, Events and Activities

The Shire engaged a Community Development Officer in March 2014 with a key focus on increasing two way communication between the Shire and the Community. In conjunction with this new position, a review of the Shire's Community Engagement Policy commenced as well as support for staff in community engagement practices.

The Community Development Officer also worked in conjunction with the community and local organisations to promote community events and activities. One of the successful events was the renaming of the Wyndham Youth & Recreation Centre to the 'Ted Birch Memorial Youth and Recreation Centre' in recognition of the late Pastor Ted Birch's contribution to the community.



The family of Ted Birch at the renaming of the Wyndham Youth & Recreation Centre event

7.1.5 Council Representation on Committees

The Council had representation on many important regional and local committees throughout 2013-2014. This representation allowed for the Shire and the East Kimberley to be included in important strategic discussions and plans. The Council was represented on the following committees:

- Bush Fire Advisory Committee
- Kimberley Development Assessment Panel
- WALGA Kimberley Zone / Regional Collaborative Group
- Kimberley Regional Road Group
- North Kimberley Land Care District Council
- Kununurra Community Library Committee
- Roadwise Committee
- East Kimberley Visitor Centre
- Liquor Accord Kununurra
- Community Resource Centre Kununurra
- Australian Airport
- Ord Valley Muster Committee

7.1.6 Working in Partnership Group

The Shire hosted and participated in the key interagency network group, "Working in Partnership" (WiP). The key purposes of the network are to:

- Streamline and maximise the efficiency of existing service management forums
- Provide direction and advice for human service management forums and agencies in relation to aligning service delivery
- Identify common issues and trends
- Develop strategic responses and key actions to these common trends to improve local service delivery outcomes
- Promote consultation about the delivery of key services through the WiP forum
- Promote a high level of communication between agencies
- Ensure there is coordination of programs and collaboration between service providers
- Monitor the sustainability and effectiveness of existing programs and provide advice to organisations seeking to establish new programs.
- Promote the sharing of data to allow mapping of services and identification of gaps
- Design and monitor outcome results

The WiP Group consists of government agencies that service the community. Meetings occurred every second month with the relevant attendees to discuss specific community issues; these issues were Strong Families, Housing & Homelessness, Alcohol & Other Drugs / Volatile Substance Use, Suicide & Mental Health, Education Training &

Employment, and Youth. The Working in Partnership Group then met for monthly coordination meetings to discuss outcomes of the focussed meetings, and attend to any actions required.

7.1.7 Visiting Officials

2013-2014 was a big year for VIP visits to the Shire. On the 15 August 2013 the then Prime Minister, the Hon. Kevin Rudd MP visited the Shire, spending his time at Lake Argyle and briefly in Kununurra. August 2013 also saw the Governor of Western Australia, His Excellency Malcolm McCusker AC CVO QCK visiting the region and undertaking a tree planting ceremony at Celebrity Tree Park and officially opening the Shire's new Kununurra Council Chambers and administration office. In June 2014, the Governor General, His Excellency General the Hon. Sir Peter Cosgrove AK MC spent 3 days in the Shire visiting businesses and organisations in Kununurra and Wyndham.

These visits were just a few of some 14 official visits for the 2013-2014 year. Each of these visits was an important opportunity for the Shire to advocate East Kimberley issues and opportunities at a regional, state or national level.



His Excellency General the Hon. Sir Peter Cosgrove AK MC with local Kununurra farmers at the Research Station

7.1.8 Official Conduct Report

The *Local Government Act 1995* requires the Shire to report on the number of official conduct complaints recorded under section 5.121 during a financial year. For the period 2013-2014 there were no conduct complaints received that resulted in action under section 5.110(6)(b) or (c) of the *Local Government Act 1995*.

7.1.9 Integrated Planning and Reporting Framework

Strategic Community Plan

The Shire continued to deliver on the Strategic Community Plan 2012-2022. A biennial desk top review of this plan was commenced to ensure it remained relevant to the community.

Corporate Business Plan

The Corporate Business Plan is a rolling four year plan 2012-2016 and identifies the services, activities and projects and their resourcing requirements to deliver on the strategies and outcomes of the Strategic Community Plan. This plan directly informed the annual budget and was reviewed as is required annually.

Informing Plans

There are a number of informing strategies that form part of the Integrated Planning and Reporting Framework. These include the Asset Management Plan, Workforce Plan, Long Term Financial Plan, ICT Plan and Risk Register. Many of these informing strategies were drafted during the 2012 – 2013 year and although they were not updated throughout 2013 – 2014, they will be reviewed in the next financial year.

7.1.10 Council Policies and Financial Governance

The Shire continued to review existing and develop new policies through the year. The Audit (Finance and Risk) Committee recommended several new and revised policies to the Council and the Council considered major amendments to existing policies, the introduction of new policies and the revocation of existing policies. Following advice from the Audit (Finance and Risk) Committee, in some instances, the Council adopted:

Amendments to existing policies:

- Strategic Rating Policy
- Investment Policy
- Rates and Charges Debt Collection Policy
- Significant Accounting Policies

The introduction of new policies:

- Pricing Principles and Pricing Basis Policy for Fees and Charges
- Notice of Discontinuance (Rates and Debtors) Policy
- Rates Exemptions for Charitable Organisations (Non Rateable Land) Policy
- Rates Concessions (Rateable Land) Policy
- Credit Card Policy
- Self-Supporting Loans Policy

The Council redefined and developed a more equitable Strategic Rating Policy that aspired to balance service levels in accordance with the needs and expectations of the community and set rating levels to adequately resource its roles and responsibilities. Adopting this policy in particular, clearly commenced the journey to improve and subsequently maintain Council's long term financial viability in accordance with the Strategic Community Plan.

During 2013-14 the Shire was focussed on improving financial governance and ensuring processes were operating efficiently and effectively. This resulted in a number of compliance checks being introduced; the removal of acceptance of Diners and Amex cards given the cost of transactions; a complete review of the budget review processes; the establishment of an annual budget process that involved the whole organisation; the introduction of annual reviews relating to public works overheads and plant rates.

7.1.11 Financial Sustainability

The work undertaken in the development of policies and in particular the Strategic Rating Policy, were integral in ensuring that the Shire can become financially sustainable in the future.

Many improvements were made with the introduction of organisation-wide budget review processes and the establishment of a clear annual budget process. The Councillors were heavily involved in the setting of the 2014-15 Annual Budget and this will continue during the establishment of the 2015-16 Annual Budget and the revision of the Long Term Financial Plan.

7.1.12 ICT (Information & Communication Technology)

2013-14 saw numerous capital projects implemented along with the continued provision of daily ICT support operations. Key projects included:

- Value adding to existing systems. For example, the introduction of regular Tech Tips for the organisation to ensure all relevant features of Microsoft Word are utilised.
- Implementation of a new ICT Helpdesk System in October 2013 to increase service levels to the organisation.
- Development of a new Shire website to improve functionality and visual appeal and to provide contemporary features such as embedded Facebook integration, mobile viewing capability, online job application system, and integration of East Kimberley Regional Airport flight information.
- WAN (Wide Area Network) initiative that included the removal of aged and differing hardware at the Shire's 14 work sites and replacement with an integrated suite of products that allowed central management and reporting. Furthermore, the majority of standard PC workstations were replaced with 'thin client' technology supported by newly built remote access network servers. This initiative provided increase speed of remote network access along with significant cost savings as the thin client hardware is significantly less expensive than traditional desktop PC's; whilst still providing a Microsoft Windows environment to run a multitude of necessary software applications.
- Virtual and physical server hardware was redesigned and replaced with a single product that unified the operation of the Shire's 20 network servers. This was coupled with a complementary data storage array, with both systems providing increased resilience in the event of equipment hardware failure.
- The Wyndham library's management system was consolidated and improved by being integrated with the software that is in use at Kununurra. The new system provides modern facilities that patrons and library staff have come to expect. The consolidation also reduced training and maintenance requirements.

- Video surveillance capability was integrated into the Wyndham Administration Office to reduce crime; with the added ability for staff to remotely monitor Department of Transport license testing whilst continuing to serve customers at reception.
- Earthmine GIS1 was implemented to provide Shire staff with high-definition customised 'Google Street View' style imagery of both Kununurra and Wyndham town sites. This allowed staff to perform 3 dimensional measurements and manage Shire assets from the desktop, in many cases without necessitating physical travel.
- The development of an ICT Strategic Plan began in 2013-2014. The Plan will outline a business case for future capital investment and identify opportunities for ICT products and services to enhance the capabilities and efficiencies of the organisation.
- The development of strategies for risk mitigation commenced. These strategies will address disaster recovery and business continuance capabilities.

7.1.13 Records Management

The Shire's continued commitment to recordkeeping, in accordance with legislative requirements, facilitated a structured approach to recordkeeping through the use of a corporate system. Records are a core information resource, and sound record keeping practices contributed to the overall efficiency and effectiveness of the organisation.

The Shire's current Recordkeeping Plan (RKP) outlines the process for management and disposal of records in accordance with the *State Records Act 2000* and is approved by the State Records Commission to 30 August 2017, prior to which it will formally be reviewed.

As part of the Staff Induction Program, employees were informed of their record-keeping obligations and also provided with a Records Reference Materials folder containing the current policies, work instructions for the creation and recording of incoming and outgoing records, and other general information and system instructions regarding records management.

Regular monitoring of outstanding correspondence occurred with reports provided to the Executive Management Team on a fortnightly basis highlighting the responsible officer and number of days each item had been outstanding. This provided a level of assurance that the organisation is actioning incoming correspondence from the community in a timely manner.

In 2014-2015, there will be an increased focus on system improvements; development of a corporate records training program and the commencement of a review of the current file structure to assess its appropriateness.

7.1.14 Freedom of Information Statement

Objective

To make readily available to the public in accordance with the *Freedom of Information Act 1992* 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*, section 5.94 of the *Local Government Act 1995*, the *Local Government (Administration) Regulations 1996* and the guidelines in the policy.

1. The Director Corporate 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 of 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.

7.1.15 Freedom of Information Act 1992

In accordance with section 10(1) of the *Freedom of Information Act 1992*, members of the public have the right to access records (which are not otherwise exempt) held by the State and local government agencies. The table below illustrates all the applications received by the Shire of Wyndham East Kimberley in 2013-2014 (and 2012-2013) for comparison purposes:

Access Type	2012-2013			2013-2014		
	Personal	Non-Personal	Total	Personal	Non-Personal	Total
Access in full			0			0
Edited access		1	1		2	2
Access refused			0			0
No documents found			0			0
Withdrawn by applicant			0			0
Not finalised			0			0
TOTAL	0	1	1	0	2	2
Number of Access Applicants	0	1	1	0	2	2

7.1.16 Review of Local Laws

The Shire commenced a review of its Local Laws with all Local Laws scheduled to be completed by December 2015. Section 3.16 of the *Local Government Act 1995* requires that all Local Laws of a local government must be reviewed within an eight (8) year period after their commencement to determine if they should remain unchanged or be repealed or amended.

The following commenced being reviewed in 2013 - 2014:

- Standing Orders Local Law
- Dogs Local Law
- Local Laws Relating to Fencing
- Extractive Industries Local Law
- Bushfire Brigades Local Law
- Cemeteries Local Law
- Health (Eating Houses) Local Laws
- Parking and Parking Facilities Local Law
- Activities in Thoroughfares and Public Places and Trading Local Law
- Local Government Property Local Law

7.1.17 People Plan

The Shire commenced the development of an internal document called the 'People Plan'. This Plan focuses on workforce planning, learning and development, human resource management, performance and reporting and staff wellbeing. The People Plan is due to be completed in 2014-2015.

Other activities implemented to ensure that the Shire can attract and maintain a skilled, motivated and professional workforce included the development of a leadership team within the organisation and the implementation of performance management training for staff in supervision positions.

An Occupational Health and Safety (OSH) external audit was completed by LGIS in March 2014. This audit provided a snapshot of where the organisation is currently at with regard to Occupational Health and Safety. The report created from the audit was utilised to improve Occupational Safety and Health in all departments. These improvements will continue throughout 2014-2015. Occupational Health and Safety committee members undertook OSH training, along with many employees participating in First Aid training.

7.2 Strategic Community Plan 2012 – 2022, Goal 2

Greater returns from regional investment to ensure sustainable provision of appropriate physical and social infrastructure.

HIGHLIGHTS

- Planning commenced for a new or redeveloped Leisure Centre in Kununurra.
- Extensive community engagement was undertaken to inform a new Local Planning Strategy, due for completion in 2014-2015.
- The East Kimberley Tourism Action Plan was completed which saw the development of the East Kimberley Marketing Group to deliver on the actions of the Plan.
- Crack sealing and resealing of the runway and a small extension to the main jet apron at East Kimberley Regional Airport to prevent future damage and to improve Shire assets.
- The Kununurra Library was host to numerous successful events including weekly Story time and Rhyme Time sessions, the 9th Kimberley Writers Festival, Library Lover's Day, National Simultaneous Story time and a visiting author for Children's Book Week.

7.2.1 Community Grants

Community Grants were available to not for profit and local organisations for projects that benefited the local community. There were 2 types of grants available, Annual Grants and Quick Grants. Annual Grants were for funding over \$1000 and were offered through a competitive grants application and assessment process. Quick Grants were for funding under \$500 and were available at any time throughout the year. Successful grants in 2013-2014 were:

Annual Grants

Organisation	Project	Amount
Garnduwa Amboorny Wirnan	Young women in sports	\$3,666
Lake Argyle Swim Inc	Lake Argyle Swim	\$5,000
Kununurra Bushmen's Rodeo Association	Reconstruction of current arena	\$20,383
Kununurra Girl Guides	BP badge ceremony in Perth	\$5,000
Kununurra Gymnastics Club	Upgrade equipment and development of coach	\$5,000
Ord Valley Country Women's Association	Bush Dance	\$5,000
Wunan Foundation Inc	East Kimberley Aboriginal Achievement Awards	\$10,600
Kimberley Live Artist Society	Kimberley Live Artist Society Art Studio	\$2,000
Total amount		\$56,649

Quick Grants

Organisation	Project	Amount
Kununurra Taekwondo Inc	NT Championships	\$500
Kununurra Softball Association	North West Regional Championships	\$500
East Kimberley Junior Sports Association	East Kimberley Sports Awards	\$500
Gawooleng Yawoodeng Corp	Disco Fundraiser	\$475
Joongari House/Wyndham Family Support Inc	Recognise Seniors Week, afternoon tea event	\$500
Kununurra Touch Football Association	Help discount referee course	\$500
Kununurra Neighbourhood House	International Women's Day	\$500
St Joseph's School – Kununurra	St Patrick's Quiz Night	\$500
Kununurra Crocs Swimming Club	Swim Australia Teacher Course	\$500
Kununurra Water Ski Club	3 Day Wakeboarding Clinic	\$500
Kununurra Netball Association	NT Championships	\$500
Kununurra Gymnastics Association	North West Regional Championships	\$500
Wyndham Blue Light Disco Association	Wyndham Blue Light Pool Party	\$120
Kununurra Community Garden	Water Wise Irrigation System	\$500
Kununurra Community Resource Centre	Rural, Remote and Regional Women's network	\$500
Kununurra Police/Clontarf Foundation/Emergency Services	Football Game	\$238
Gelganyem Investments (Barramundi Workshops)	Barramundi Concert Workshops	\$375
Tura Music	Crossing Roper Bar	\$500
St John Ambulance – Wyndham	The Wyndham Sundowner	\$200
Total amount		\$8, 196

7.2.2 Sponsorship

The Shire sponsored 3 key events in 2013-2014. These events create economic diversity and lead to greater long term returns for the region. The total budget spent on event sponsorship was \$55,000 with the Ord Valley Muster, Barramundi Dreaming and Stars on the Bastion all receiving sponsorship money.

7.2.3 EK@25

EK@25 outlined a pathway for the Shire of Wyndham East Kimberley to reach a aspirational population target of 25,000 people. The report outlined population demographics and growth, barriers to growth, potential future growth scenarios and the infrastructure required to meet the aspirational growth.

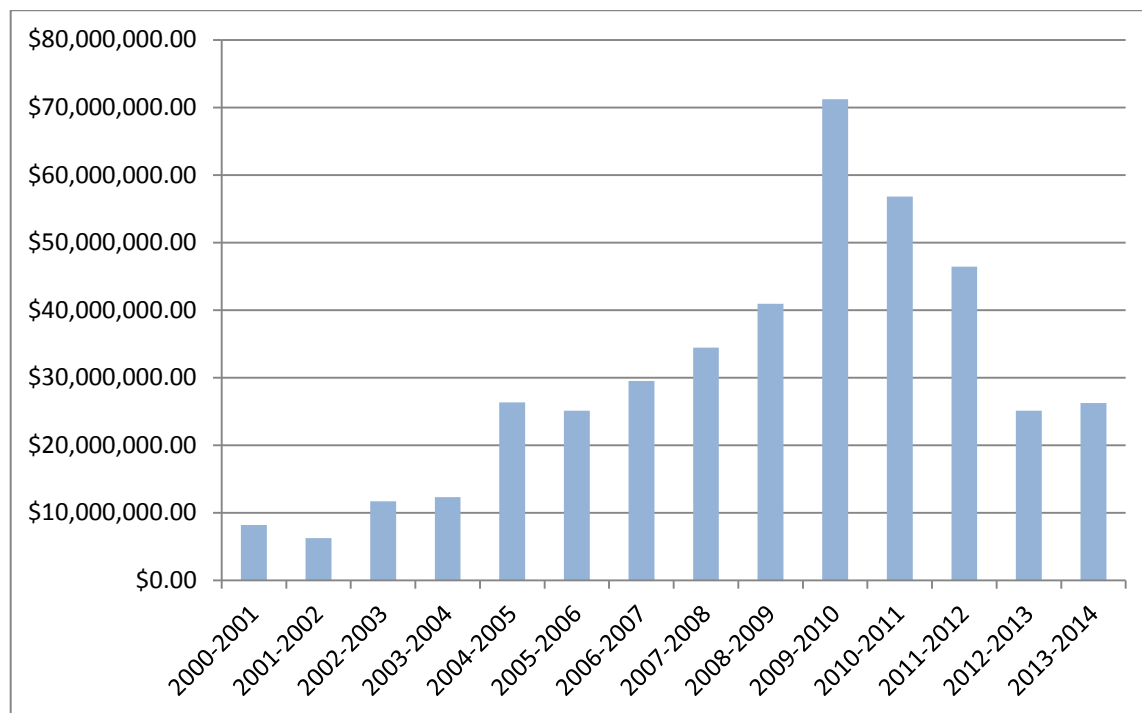
The report was endorsed by Council in December 2013 and will be used to inform the Local Planning Strategy in terms of future land requirements such as required commercial floor space, industrial land, and community facilities and services.

7.2.4 Building Services

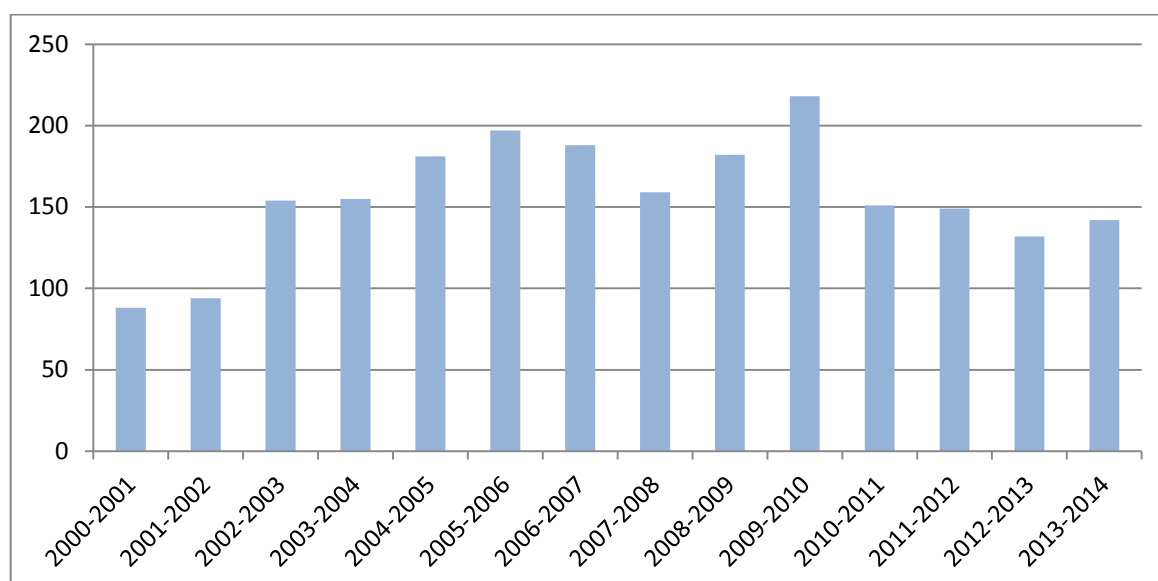
The construction value of the 142 Building Permits issued by the Shire for the 2013-2014 year was \$26,229,325.00.

In comparison with the figures for 2012-2013, the construction values and number of permits was relatively stable. This is reflected in the following figures and tables.

Annual Construction Value



Number of Building Permits Issued



The statistics for Building Permit approvals stabilised over the past four years, however there was a significant decline in the construction value over the same period.

These figures do not however reflect Building Permits issued by the State Permit Authority for Government based projects, where ten (10) permits were issued for a stated construction value of \$8,439,025.00.

Significant projects carried out for the government included three (3) government office refurbishments/extensions, a library for a remote school, eleven (11) dwellings on Nulleywah/Mirima Aboriginal Community land and a Group Dwelling development comprising of 3 units in Kununurra.

There were 21 Demolition Permits issued in 2013-2014 by the Shire, which included full demolition of two (2) dwelling units in Kununurra and four (4) dwelling units in Wyndham.

The State Permit Authority in the same period issued three (3) Demolition Permits which included the full demolition of ten (10) dwelling units within Nulleywah/Mirima Community.

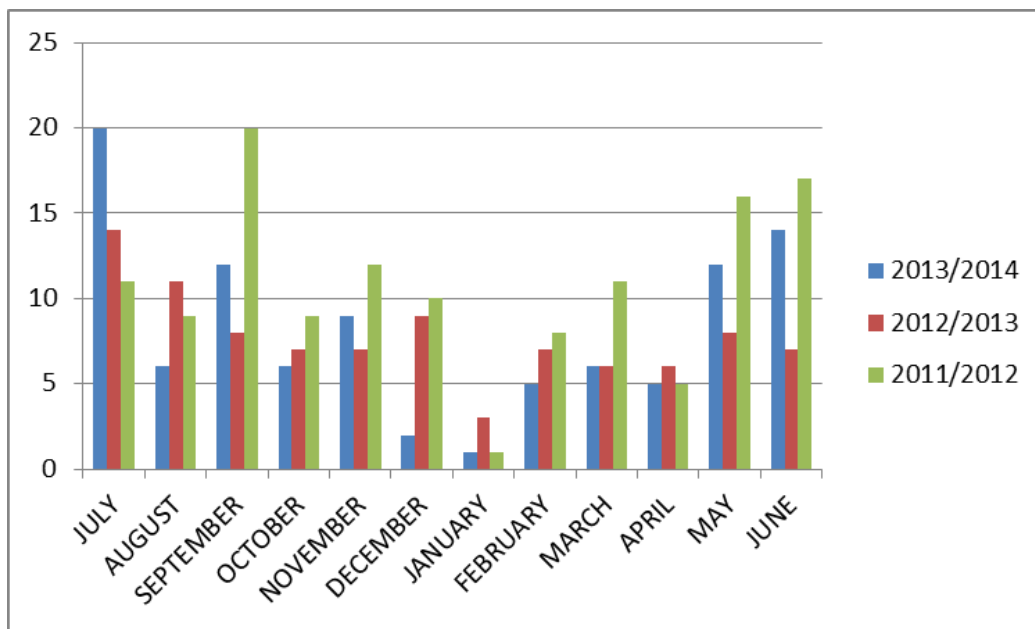
Building Permits issued by Shire of Wyndham East Kimberley statistics 2000-2001 to 2013-2014 showing new dwelling units & location:

Financial Year	Number of Building Permits Issued	Annual Construction Value	New Dwelling Units Kununurra	New Dwelling Units Wyndham	New Dwelling Units Aboriginal Communities
2000-2001	88	\$8,173,121	10	2	19
2001-2002	94	\$6,233,174	16	1	7
2002-2003	154	\$11,679,506	13	3	18
2003-2004	155	\$12,294,189	19	4	15
2004-2005	181	\$26,321,945	45	4	25
2005-2006	197	\$25,119,699	68	2	8
2006-2007	188	\$29,491,996	56	5	6
2007-2008	159	\$34,438,418	41	1	27
2008-2009	182	\$40,925,702	50	16	3
2009-2010	218	\$71,203,364	139	18	0
2010-2011	151	\$56,822,612	28	1	0
2011-2012	149	\$46,421,179	40	4	11
2012-2013	132	\$25,092,177	32	0	6
2013-2014	142	\$26,229,325	32	3	2

7.2.5 Planning Approvals

103 Planning Applications were processed which was a slight increase (7%) from 2012-2013, and was reflective of the relatively stable period indicated in the construction industry's building statistics.

Planning Approvals Issued



7.2.6 Business Case for the Kununurra Leisure Centre

In May 2014 Council engaged consultants (GHD) to prepare a business case for the Kununurra Leisure Centre, to consider multiple sites for a new or redeveloped leisure and aquatic facility in response to the requirement to replace the Kununurra swimming pool which is failing. The business case will consider drivers, objectives, constraints, facility components, risks, and different development options and recommendations to ensure a new or redeveloped Leisure Centre is planned and managed to meet community needs - both social and economic. This project is supported by Council's Strategic Community Plan and will be undertaken in close collaboration with LandCorp and the Department of Planning, and the MG Corporation as a key stakeholder. Workshops were held with Council and key stakeholders in June 2014 to commence the project.

7.2.7 Local Planning Strategy

The Council engaged extensively with the community for the review of the Local Planning Strategy which saw community open houses held in September 2013 and again in March 2014 complemented by online and intercept surveys and one on one meetings.

The review of the Local Planning Strategy identified future expansion areas for residential and industrial land whilst also protecting priority agricultural land. It also identified the need for a diversity of choice in housing options to cater to the diverse population. Other areas that were highlighted, were the need for improved and flexible planning of the town centre to provide increased private investment, improved pedestrian access, Crime Prevention Through Environmental Design (CPTED), services that cater to the young and the old and a diversity of land uses.

The Strategy is due for completion in 2014-2015.

7.2.8 Ord East Kimberley Expansion Project

The Shire was involved in several aspects of the Ord East Kimberley Expansion Project. Including the development of roads and associated works within the road reserves such as culverts, irrigation channels etc, these were completed at the end of September 2013.

There are 4 roads under Shire management within the Ord area, this includes the main road 'Moonamang Rd'. All but the north east 2.2km portion of Moonamang Road are sealed. The Shire and LandCorp undertook a practical completion inspection of the roads in October 2013 which lead to the roads being opened to public traffic. A second coat seal of the roads is scheduled for October 2015. A number of private irrigation related infrastructure (i.e. irrigation supply pipes) were located in the Ord Stage 2 Expansion road reserves and localised easements were created to protect this infrastructure.

Throughout 2013-2014 Council were asked to consider the creation of a road reserve over the existing track from Goomig to the Northern Territory border (distance about 5km), no objection was raised to this proposal. Formal dedication of all four roads created within Ord Stage 2 Expansion is pending.

During the latter course of 2013 and early 2014 irrigation pipes were observed leaking under newly constructed Ord Stage 2 roads. Damage to a road caused by the failure of the irrigation pipe within the easement is covered in the easement conditions and is ultimately the responsibility of Department of Lands.

Landcorp concluded negotiations to a final solution to the pipes with Leighton with works scheduled for completion before end of December 2014. The remedial work proposed is a complete structural replacement that does not involve removing the existing pipes with Water Corporation actively involved in the solution providing technical support as Water Corp is the ultimate owner of some of the irrigation pipes in question.

7.2.9 Tourism and Economic Development

The East Kimberley Tourism Action Plan which commenced in 2012-2013 was completed in 2013-2014. This plan was a joint initiative between the Shire and Tourism Western Australia. The plan provided advice to the local industry and key stakeholders on the direction required for policy development, planning and financial decision making. It identified the value of the local tourism industry for maintaining long term economic diversity within the Shire. It identified infrastructure, marketing and product development needs.

In response to the East Kimberley Tourism Action Plan the local tourism industry collectively developed the East Kimberley Marketing Group. This Group commenced actioning the recommendations identified in the East Kimberley Tourism Action Plan. The Shire played a key role within the Group with representation in the Group and by providing financial support.

Economic Development Grants for 2013-2014 were provided to:

- | | |
|---|----------|
| - Kimberley Economic Forum | \$8,000 |
| - East Kimberley Marketing Group | \$15,000 |
| - 'I work in Tourism' Marketing Campaign | \$5,000 |
| - Kununurra Chamber of Commerce Small Business Awards | \$5,000 |
| - Kununurra Visitor Centre | \$5,000 |



Web banner used for the 'I work in tourism' marketing campaign

7.2.10 East Kimberley Regional Airport

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

As part of regulatory and compliance activities, emergency exercise 'Greenback' was conducted in November 2013. The exercise was a CASA required process to test out the operational readiness of the existing Aerodrome Emergency plan and the subsequent response by local emergency services to the incident. Over 60 people were involved in the exercise, and it was viewed by many as the largest emergency exercise conducted at Kununurra in the last 10 years. Findings from the exercise were provided in a report from the Emergency facilitation consultant, and these recommendations were discussed with the Aerodrome Emergency committee and included in the new Aerodrome Emergency plan that was subsequently developed.

Other regulatory and compliance activities that were undertaken were:

- November 2013 - CASA annual Audit
- March 2014 – Annual Aerodrome Technical Inspection
- Meetings – Aerodrome Emergency committee, Safety management committee, Aerodrome Security Committee
- New Safety management system developed and submitted to CASA
- New Aerodrome Emergency plan developed and submitted to CASA
- Updates to Transport Security program and Aerodrome Operations manual
- Re marking of Aprons and parking bays as per CASA recommendation
- Install new aircraft hold down cabling at both Western and Eastern GA areas
- Ongoing rectification works to Airstrip soil depressions
- Multiple Systems test audits conducted by the Office of Transport security in respect to Passenger security screening functions and staff competency.

New business for 2013-2014 included:

- Lease for motor vehicle hire car storage area by Avis
- New collection system implemented for Aircraft parking fees

- Digital advertising service within Airport Terminal

New projects at the airport for 2013-2014 included:

- Construction of a new machinery shed to prolong the longevity of Airport machinery, which in the past was left uncovered and subject to the weather
- Purchase of a bitumen crack sealing unit to prolong the life of the runway and roads
- Purchase of a line marking machine to replace an old asset



New line marking machine

- Crack sealing, resealing and an enrichment treatment of the outer sections of the East Kimberley Regional Airport Runway and the entire Main Jet Apron was undertaken as preventative maintenance against further damage.
- Engineering study in to the ongoing growth of soil depressions or “Gilgai holes” prevalent on the Runway strip. Airport staff commenced enacting these recommendations as well as monitoring new occurrences of these soil depressions
- Council was successful in gaining funding through the Regional Airports Development Scheme (RADS) to undertake structural investigation of the existing runway at the East Kimberley Regional Airport (Kununurra Airport) to determine the runways’ capability to allow bigger and heavier aircraft to land and take-off in the future. The investigation concluded that with the application of suitably designed hot mix asphalt overlay treatment the runway’s structural integrity was sufficient to accommodate the heavier aircraft. The proposed hot mix asphalt application is scheduled over the month of June 2015 with works undertaken during night time to avoid conflict with commercial aircraft movements during daylight hours.

- Small extension to the sealed main jet apron area to create additional storage areas for aircraft ground support equipment and all weather trafficable areas for aircraft ground handling operations.
- Review of Airport assets and development of an inventory, renewal program and overall Airport Asset Management Plan.

Passenger Numbers (Arrivals & Departures) At East Kimberley Regional Airport

Month	2008/09	2009/10	2010/11	2011/12	2012/13	2013/2014
July	7,795	9,094	9,254	9973	10113	10232
August	7,590	8,247	9,174	9272	9378	8954
September	6,713	7,872	8,384	8258	8738	8685
October	6,132	6,655	7,797	8395	8266	8882
November	5,050	5,550	6,040	6605	6732	5847
December	4,595	4,970	5,677	6231	5798	5452
January	4,421	4,617	5,075	5367	5255	4676
February	4,515	4,540	4,844	5342	5063	4748
March	4,890	5,924	6,295	6364	6117	5546
April	6,679	5,858	8,082	8176	7951	7034
May	8,302	8,763	8,997	8727	10123	7947
June	7,276	8,251	8,351	9393	8678	7878
TOTAL	73,958	80,341	87,970	92,103	92,212	85,881

Aircraft Landings At East Kimberley Regional Airport

Month	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
July	1,840	1,738	1,780	1843	1384	1302
August	1,592	1,599	1,601	1633	972	1077
September	1,344	1,244	1,221	1108	1041	819
October	960	946	884	616	846	664
November	699	658	717	725	688	484
December	614	490	542	616	561	426
January	550	439	517	497	517	371
February	601	557	641	545	540	501
March	757	815	1,046	696	718	441
April	1,069	909	1,167	960	891	683
May	1,312	1,339	1,606	1097	1059	927
June	1,458	1,545	1,695	1283	1099	940
Total	12,796	12,279	13,417	11,619	10,316	8,635

7.2.11 Asset Maintenance & Management Plan

During the 2013-2014 year the Shire of Wyndham East Kimberley have undertaken a program to implement the Shire's Asset Management Plan (AMP). The AMP defines current levels of service and the processes that the Shire use to manage each of their asset classes. The Shire's AMP links the 'whole of life' costing for each asset class with the annual budget and long term and operational financial planning. To implement the AMP, the Shire must add uncaptured assets and update the asset register.

In conjunction with Core Business Australia, the Shire is conducting an Infrastructure gap modelling analysis using Maloney software. This encompasses all major Shire infrastructure assets including roads, drainage, footpaths, kerbing, bridges and buildings.

Asset Management activity implemented throughout 2013-2014 included;

- Recording of asset information for culverts, drainage, signage, pavements etc. continued for our remote roads .e.g. Duncan Rd, King River Rd, Parry's Creek Rd, Kalumburu Rd.
- Continuation of traffic counts using both the radar and metro-count systems on our urban and remote rural roads, to better improve data needed for road funding and grants.
- Integrating of data across various software platforms for viewing and data manipulation by internal stakeholders.
- Ongoing capturing and recording of data in the field and checking data integrity against data already captured.
- Processing internal and external stakeholder data requests.
- Preparation of maps and plans for both internal and external stakeholders.

- Implementation of the asset management plan and working within the long term financial plan to maintain and improve all classes of assets.
- Infrastructure gap modelling commenced – identifying targets and outcomes.
- Conducting annual playground, bridge and drainage inspections.
- Installation of signage along the Gibb River-Kalumburu Rd to the Port Warrender Rd turnoffs, to improve safety for the increasing tourist traffic along this section of the Kalumburu Rd.

7.2.12 Roads

Major road projects undertaken during 2013-2014 include the construction of passing lanes on Coolibah Drive adjacent to Kununurra District High School and Ivanhoe Caravan Park entrance to increase road safety.

A full re construction of Erythrina Street including the construction of a dual use footpath was implemented to solve ongoing maintenance issues.

A large asphaltting overlay program was implemented along sections of Coolibah Drive, Konkerberry Drive, Messmate Way roundabout and other connecting streets.

Other projects included the reconstruction of a section of Weaber Plain Road, the installation of a new cattle grid on Valentine Springs Road, pipe drainage infill on Coolibah Drive near the St Johns Ambulance entrance, the installation of concrete box culverts on Crossing Falls Road and the application of a 7mm aggregate bitumen spray seal on outer shoulders of the central runway and terminal apron at Kununurra airport followed by an enrichment seal treatment.



Asphaltting overlay on Konkerberry Drive, Kununurra

7.2.13 Stormwater Management Strategy

The flood events of February 2014 highlighted the need to develop a catchment plan that addresses the water flows into the M1 Irrigation Channel as well as the capacity of the associated town site drainage network.

A project group of key local stakeholders is proposed to be formed in the latter half of 2014 with the objective of taking a collaborative approach to finding a solution to the flooding issues. It is proposed that the project group will include the Water Corporation, Shire of Wyndham East Kimberley, Ord Irrigation Co-operative, Department of Parks and Wildlife and Department of Aboriginal Affairs. As the owner and operator of the M1 Channel, it is proposed the Water Corporation will lead the project group.

The main task of the project group will be to commission a study to determine the scope of work required to minimise the risk of flooding to Kununurra town-site and how best to protect the irrigation assets from flood damage. The study will consider the entire drainage system of the town and all catchment areas to identify assets to be upgraded and possible options for new flood mitigation projects.

The Shire will finalise designs to the upgrade of D2S2 in early 2015 to relieve flooding on the upstream side of the M1 Channel. These works include the upgrading of the D2 drain, increasing the capacity of the culverts under Research Station Road and reconstruction of the D2 gauging station. The proposed drainage improvement works are scheduled for completion in June 2015.

7.2.14 WANDRRA

During the significant rainfall event in February 2014 the M1 Channel was subjected to heavy inflows from the catchment area, and came dangerously close to being breached because of the large amounts of water flowing into the channel in a short period of time.

A breach of the M1 Channel would have resulted in flood waters inundating the town with a significant volume of water.

National Disaster Funding was secured under the Western Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA), for employment of a Civil Engineer to manage repair of essential public assets (e.g. roads, drains, culverts footpaths) and clean-up activities, directly related to the heavy rainfall and flood event of February 2014.



Flooding at the Barringtonia and Weaber Plains Intersection, Kununurra, February 2014

The WANDRRA flood recovery works to repair the damage caused by the floods in February 2014 are scheduled for completion in January 2015. The majority of flood damage was localised around various streets in the Kununurra town-site, with damage also sustained to Lake Argyle Road, Kalumburu Road, Point Warrender Road and Mt Elizabeth Road in the rural areas.

Preliminary cost estimates valued the repair damage bill at \$4,820,000

7.2.15 Disability Access and Inclusion Plan

The Shire has and utilises a Disability Access and Inclusion Plan (DAIP), a requirement under the Disability Services Act 1993. The Act requires that DAIPs be reviewed every two years with a thorough formal review at the end of five years. Whenever the DAIP is amended, a copy of the amended plan must be lodged with the WA Disability Services Commission. The draft DAIP must be advertised to the community for comment before it is adopted by Council. It is the responsibility of all Shire officers to implement the relevant strategies and tasks. The last formal review was endorsed at the December 2012 Ordinary Council Meeting with a desktop review of this Plan commencing in February 2014 to be completed in the 2014-2015 financial year. The review will ensure compliance with legislation and align with the Shire's Strategic Community Plan.

7.2.16 Libraries

During the 2013-2014 year Kununurra Community & School Library loaned 55,255 items, welcomed 798 new members and entertained a combined total of 3324 pre-schoolers and babies to the Story time and Rhyme time sessions.

Kununurra Community & School Library organised the 9th Kimberley Writers Festival which showcased the work of 10 Australian authors and illustrators. More than 2500 students, community members and visitors attended the various events held over the weekend.

Library Lover's Day was celebrated on 14 February 2014 by offering patrons a 'blind date with a book' and a chocolate was given with every loan.

National Simultaneous Story time was hosted with Cr Di Ausburn reading 'Too many elephants in this house' to 366 students from Kununurra District High School and St Joseph's Primary School.

Once again the Children's Book Council WA gave the library funds to bring an author to the East Kimberley during Children's Book Week. Erica Bentel visited the Kununurra Community and School Library, Wyndham Public Library, Wyndham District High School and Kalumburu Remote High School as well as judging the dress up parade at Kununurra District High School during the week.



Rhyme time at the Kununurra Library

7.2.17 Childcare

During 2013-2014 the Shire operated the Wyndham Childcare Centre providing long day care for a total of 37 children from 29 families. An open day was held at the Wyndham Childcare Centre in April 2014 with approximately 20 families visiting the Centre.

A grant application was submitted in partnership with the Ewin Early Learning Centre for a building expansion project. Unfortunately this funding program was cancelled before applications could be assessed.

The Shire also participated in the Early Years Network and was a committee member of the Communities for Children program.

7.2.18 Youth Services

The Shire of Wyndham East Kimberley Youth Services Plan development commenced in June 2014. This Plan aligns with the Kimberley Zone Youth Strategy, also in development.

With Funding support from Department for Child Protection and Family Support, as well as Department of Prime Minister and Cabinet, the Shire delivered the Wyndham Services for Young People at Risk. The Service provided term programs and School Holiday programs from the Ted Birch Youth and Recreation Centre, Wyndham.

The Shire also operated and maintained the Kununurra Youth Centre. This facility was made available for hire by community organisations and youth service providers.

The Shire was pleased to name the Ted Birch Memorial Youth and Recreation Centre on 29 May 2014 in recognition of Pastor Ted's contribution to the Wyndham Community.

The Shire's Youth services in Wyndham established the Wyndham Young Leaders group. This group lead a Wyndham Community Pride program that included a litter prevention "Bin It" project.



Wyndham Young Leaders

7.2.19 Recreation and Leisure

The Shire of Wyndham East Kimberley recognises the important role sport and recreation provides to the community.

In 2013-2014 a number of capital upgrade projects were undertaken:

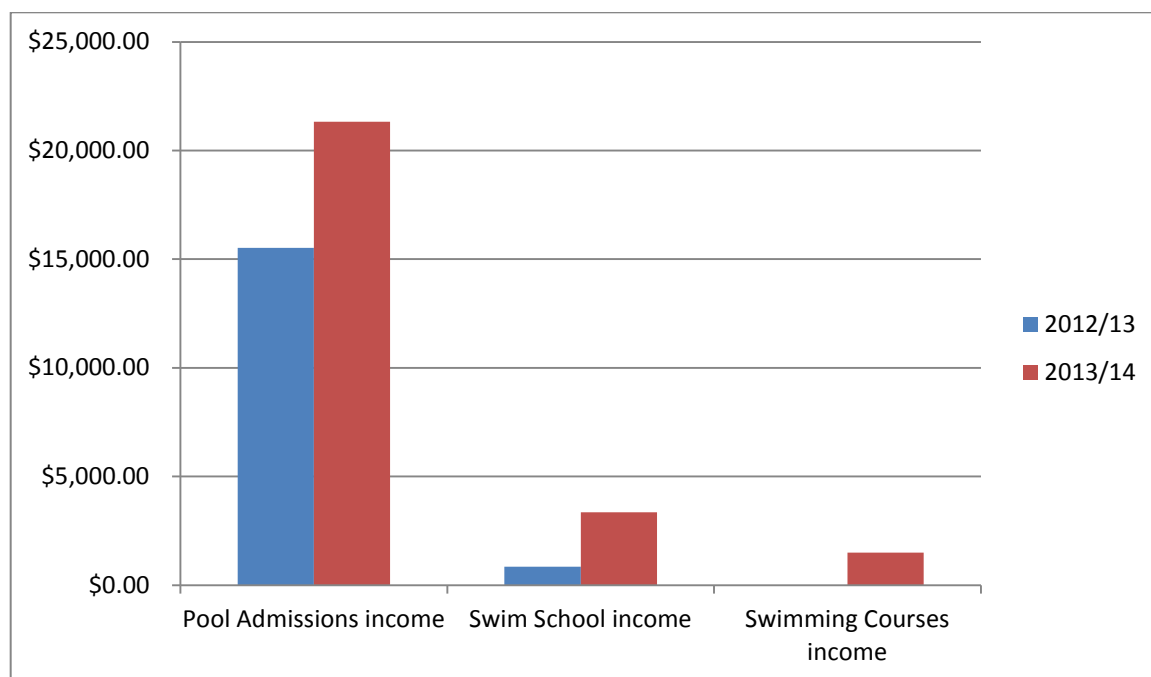
- Upgrade of the outdoor basketball lights requiring rewiring and new lighting to meet industry standards and become safety compliant. Works are still ongoing.
- Soft fall installation at the Kununurra Leisure Centre after successfully obtaining funding.

Major events included:

- BHP Swim Competition at Kununurra Leisure Centre and Wyndham Pool;
- Virtual Grotto Swim at Wyndham Pool

Wyndham Pool

In 2013-2014 the Wyndham Pool had increased attendance, offered Aqua Aerobics every Saturday morning during school terms and user groups such as the Mums and Bubs, High School and Primary School utilised the facility. 22 children registered and participated in Royal Life Swim for Fruit Program. The program was aimed at indigenous communities to help increase swimming ability and healthy eating choices. The program was so successful that Royal Life and the Shire have decided to make the project an annual school holiday program.



Wyndham Recreation Centre

The Wyndham Recreation Officer continued to conduct recreation programs in 2013-14, programs included:

- Men's and Women's Basketball on Tuesday nights.
- Junior Basketball on Thursday nights

Kununurra Leisure Centre

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

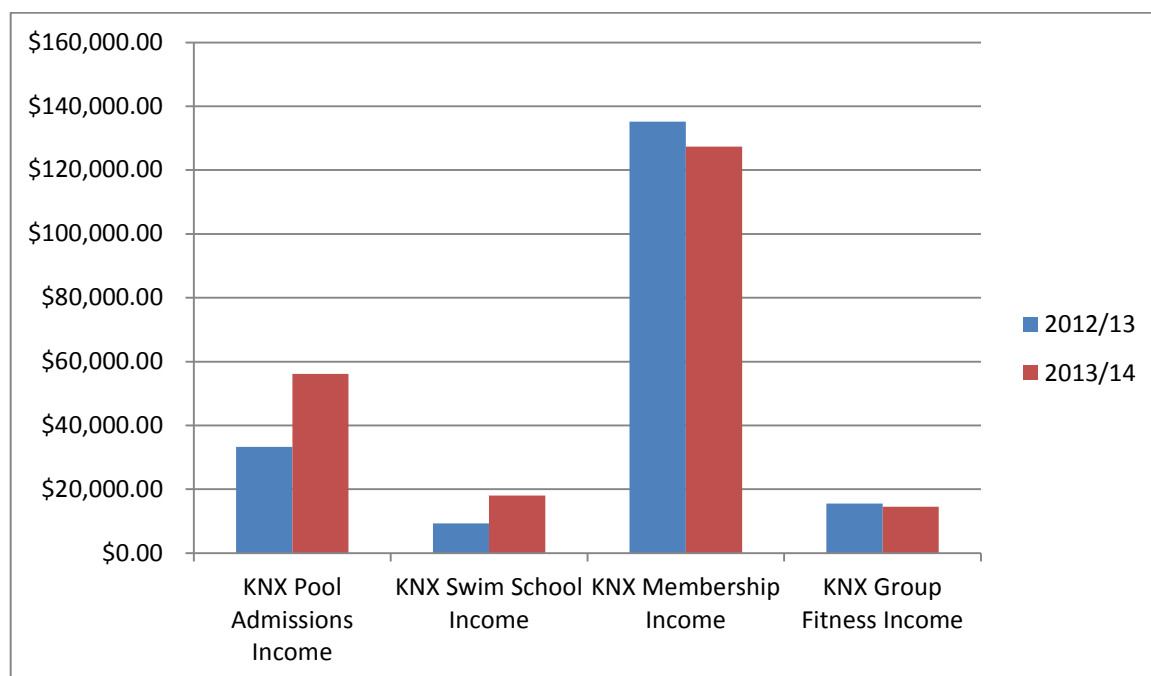
- Scitech roadshow;
- Kununurra District High School end of year assembly;
- Country Women's Association bush dance;
- Kununurra Amateur Theatrical Society performances;
- St Joseph quiz night;
- Addicted to Dance performances;

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

The Kununurra swimming pool saw increases in attendance figures in 2013-14 compared to the figures in 2012-2013 this was due to the forced pool closure during the 2012-2013 year.

Swim school continued to grow in numbers with an increase in participation numbers. Term 2 and Term 3 classes were attempted however the number of participants were low due to a decrease in water temperatures.

Memberships remained steady as did group fitness classes however both did see a minimal drop in income.

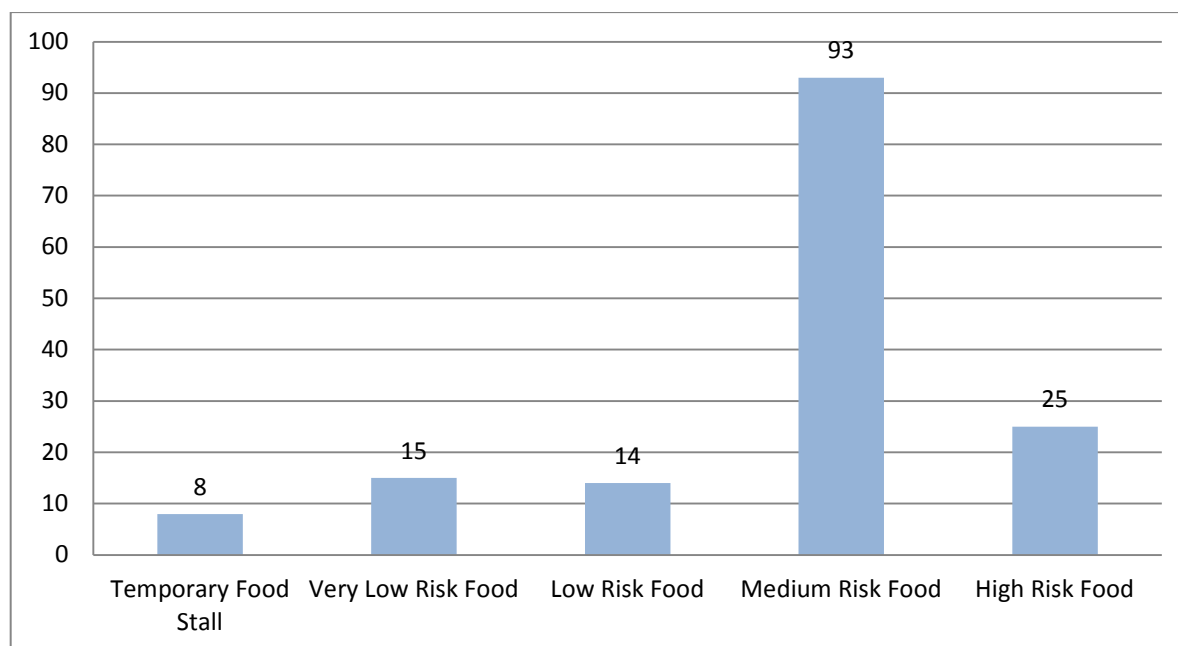


7.2.20 Environmental Health Services

Food businesses are bound by the Food Act 2008 and given a risk classification which determines their inspection frequency. There are 138 registered food businesses within the Shire the majority of which are classified as medium risk. In 2013-2014 a total of 155 inspections were conducted to monitor food safety and hygiene in local food businesses. The Shire also monitored food recalls to ensure local food businesses were alerted to

any recalls which affected them. A total of 29 food recalls affected West Australian food businesses in 2013-2014.

Food Safety Assessments

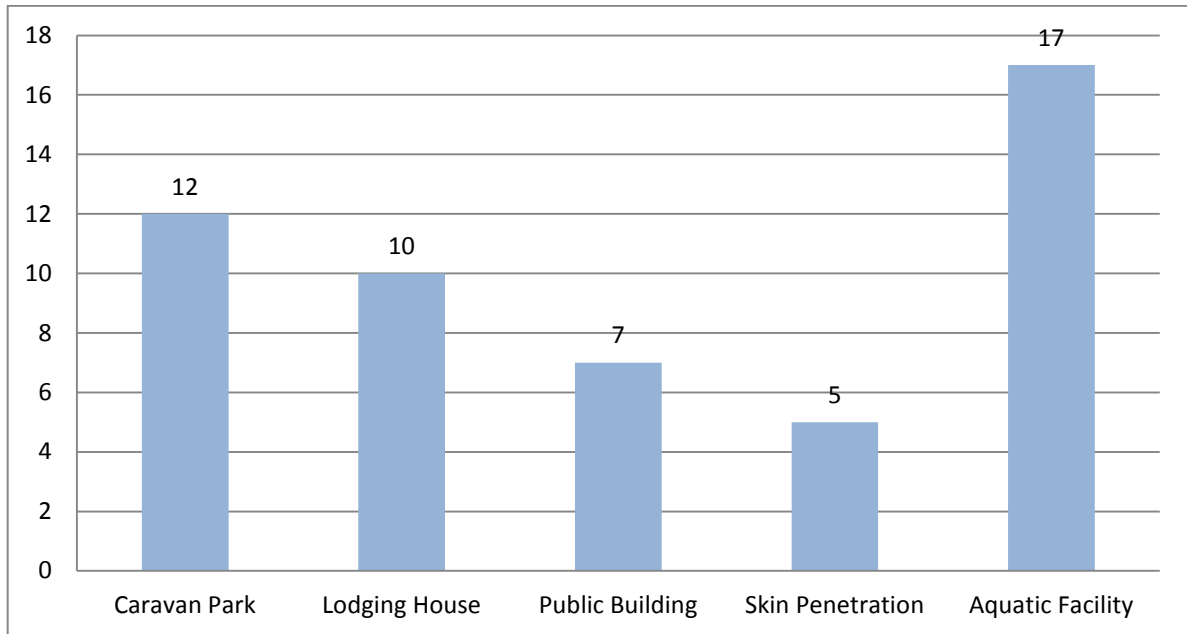


Premises bound by the Health Act 1911 includes lodging houses, public buildings, beauty and skin penetration establishments and public swimming pools. The Shire also administers the Caravan Parks and Camping Grounds Act 1995. These premises were subject to their annual inspections to ensure health and safety standards were maintained. A total of 51 annual inspections were conducted under the Health Act and Caravan and Camping Grounds Act in 2013-2014.

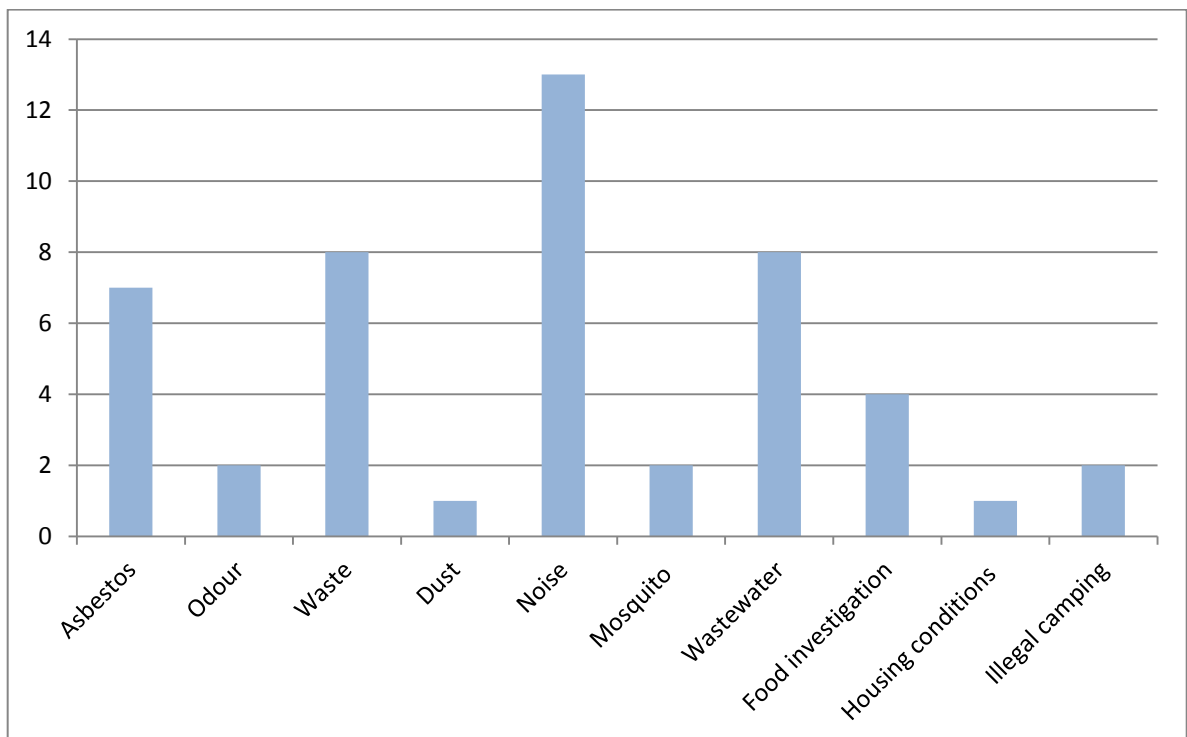
The Shire also monitored health and safety standards at local events; 136 event applications were received and assessed for health issues in 2013-2014. For larger events, site visits were conducted before, during or after the event to ensure health and safety standards were being met.

A total of 48 complaints regarding health issues were investigated in 2013-2014, a large number of which were regarding noise. Asbestos, waste and wastewater were also a common cause of complaints.

Routine Health Assessments



Health Complaints Received



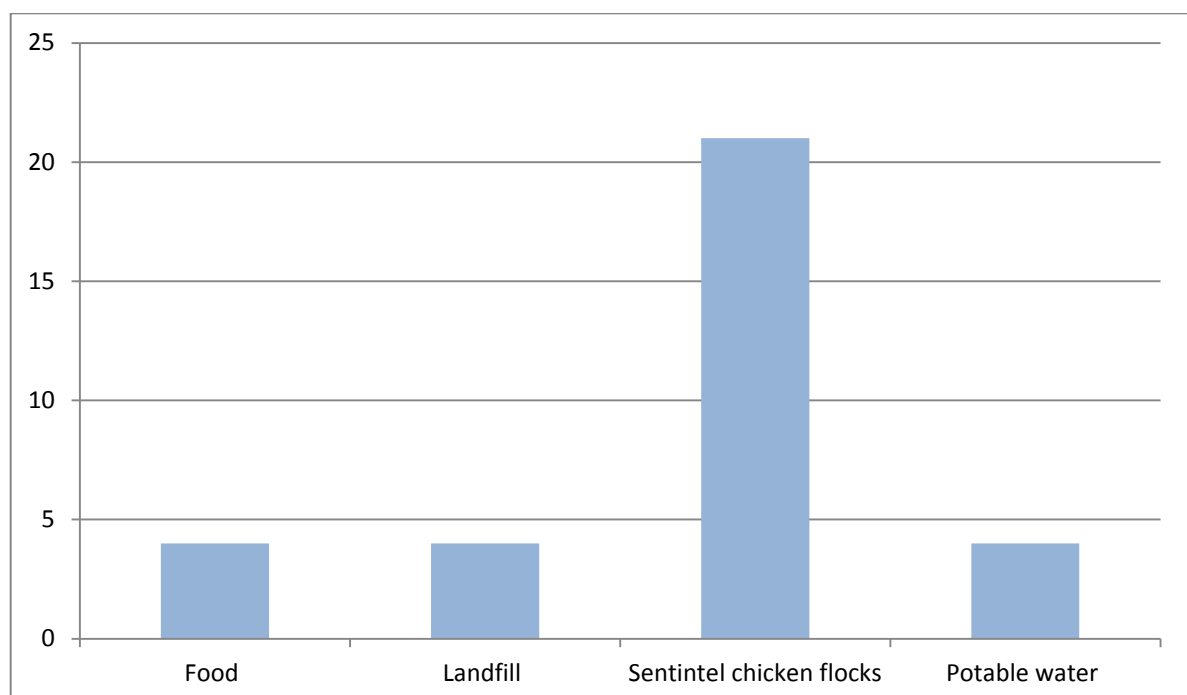
Routine sampling was conducted to provide an early warning for increased potential health threats. The Shire participated in the Western Australia Sentinel Chicken Program to detect increased activity of Murray valley encephalitis virus and Kunjin virus. The Shire had two sentinel chicken flocks: one in Wyndham and one in Kununurra which were sampled at least monthly. Sampling frequency was increased to fortnightly during the wet season to reflect the increased risk of mosquito-borne viruses during these months.

In addition to annual inspections public swimming pool waters were sampled each month to monitor microbiological standards. In 2013-2014 a total of 402 routine samples from public swimming pools in Kununurra, Wyndham and outlying resorts were taken.



Public swimming pool water sampling

Sampling



Infectious disease levels in the Shire were monitored and if necessary investigated to prevent further infections.

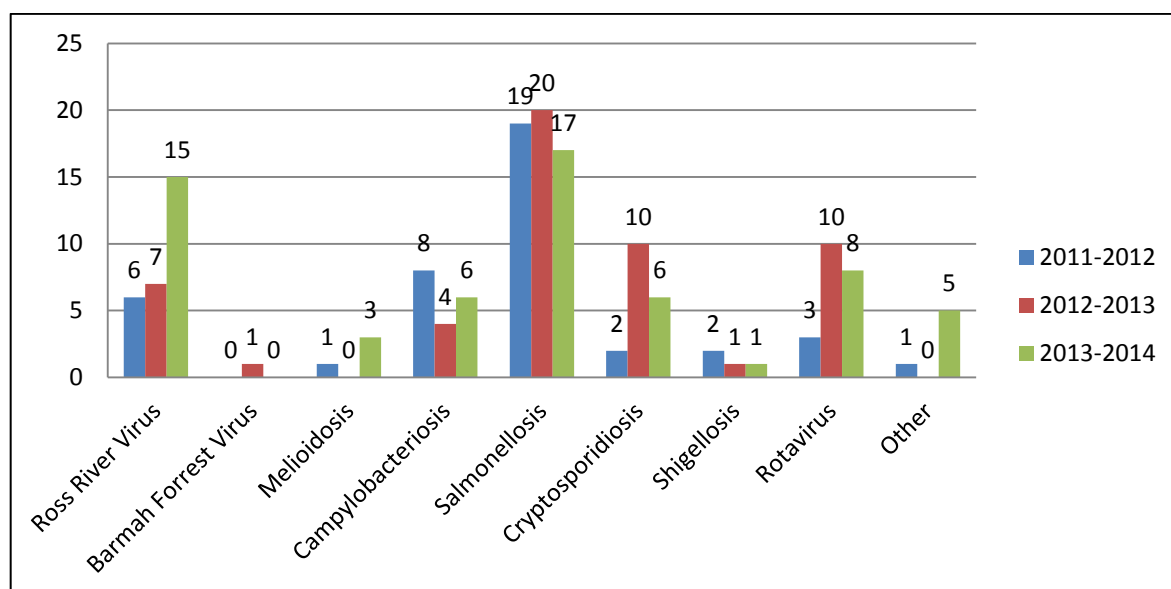
The Shire experienced a higher than average rate of Salmonellosis, the cause of which was unknown.

The increase in Rotavirus cases experienced in 2012-2013 continued in 2013-2014 with 8 reported cases occurring predominantly in children under three years of age.

Occurrence of Ross River Virus increased with notifications more than twice that of the previous two years. It is likely this can be attributed to the floods experienced in Kununurra in February 2014 with most cases occurring early in 2014.

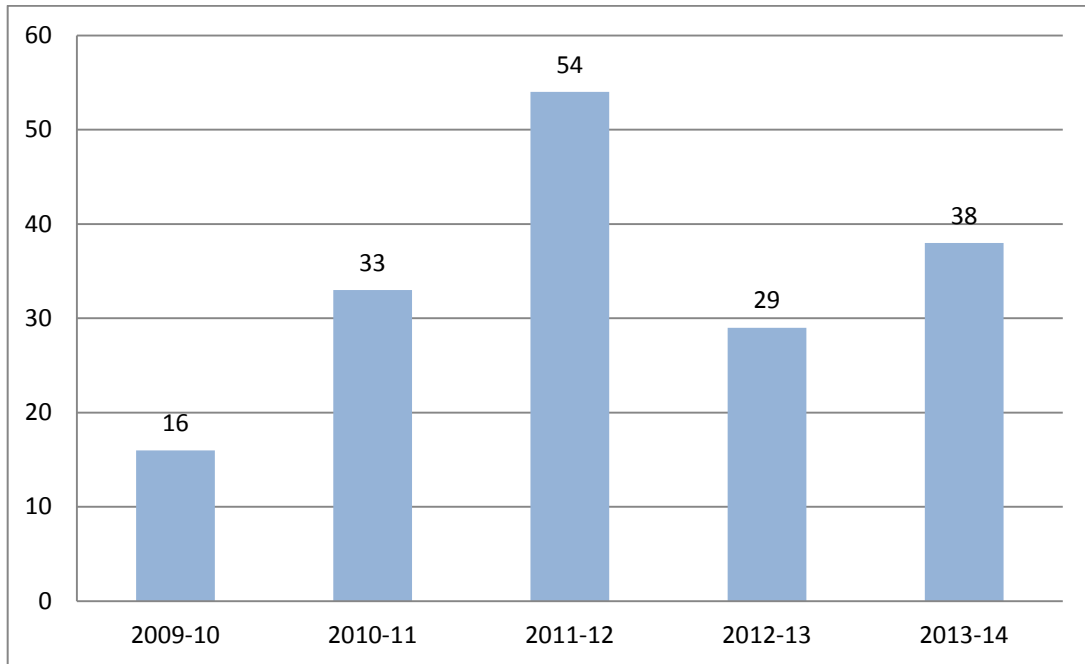
The Shire also experienced an increase in the number of Melioidosis cases reported in 2013-2014 with three notifications received. This might be linked to the February 2014 floods.

Infectious Disease Notifications

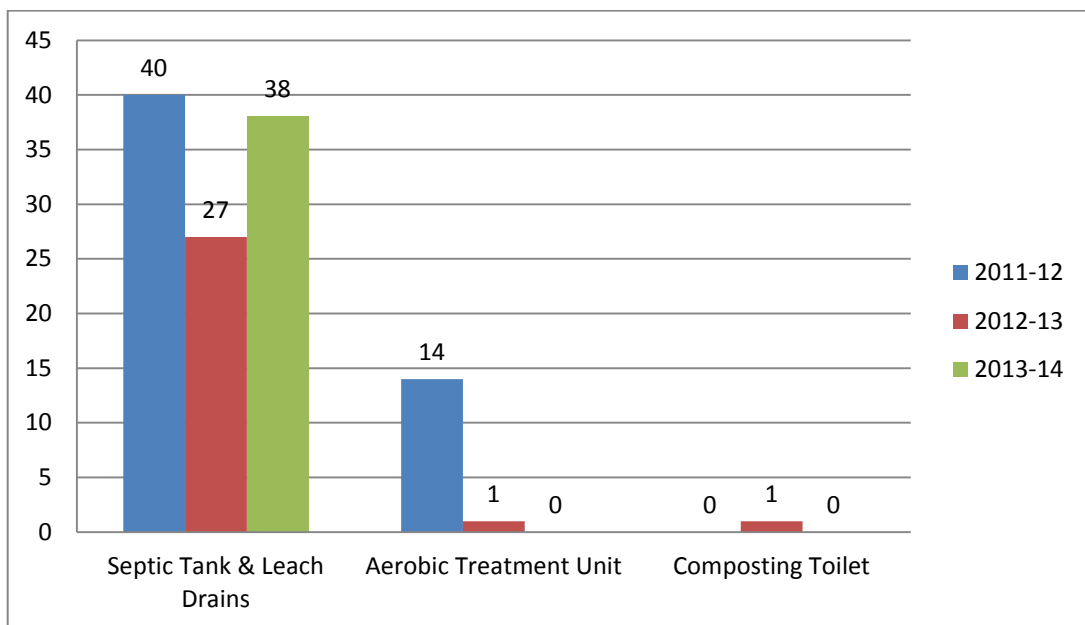


Properties which cannot be connected to reticulated sewers must install systems for the on-site treatment and disposal of effluent. These systems must be compliant with the Health Act 1911 and require approval prior to installation. Applications for on-site effluent disposal systems remained steady with a slight increase from 2012-2013. However, system types experienced a shift compared to previous years with all applications received in 2013-2014 being for standard septic tank and leach drain systems.

On-Site Effluent Disposal Applications



On-Site Effluent Disposal System Type



7.3 Strategic Community Plan 2012 – 2022, Goal 3

Protection and enhancement of lifestyle values, community facilities and the environment to provide safe and inviting communities.

HIGHLIGHTS

- 164 kids received funding via the KidSport program.
- Regulatory compliance at the Kununurra landfill is at the highest level in the Shire's history
- Animal audits of households in Wyndham and Kununurra have ensured that registered pet numbers now better reflect the actual number of pets in the Shire

7.3.1 Club Development

The Shire supported community Clubs and organisations through several means. In partnership with the Department of Sport and Recreation the Club Development Program, facilitated capacity building and supported the strengthening of these organisations.

Key events for 2013-14 included:

- KidSport 2014 Stakeholder Breakfast;
- Information Services Workshop – Partnership with DSR;
- Touch West Referee Course and school clinics;
- BHP Billiton Swim Clinics;
- Netball WA Carnival – included referee course, coaching course, talent ID and development;
- WA Cricket – strategic planning meeting in Broome;
- Golf WA – Junior Clinics;
- Squash WA Clinics;
- Kidsport referral agent afternoon tea;
- Volunteer Management workshop;
- Clubtalk ICT workshop;
- Injury Prevention and Management workshop;
- General Principles Coaching workshop;
- Funding and Grants workshop in conjunction with Department of Sport and Recreation; and
- EKSA Sporting awards in conjunction with local sporting groups and Department of Sport and Recreation.

Throughout 2013 and 2014 a major focus of the Club Development Program was assisting local clubs develop business plans. Assistance was given to:

- Kununurra Gymnastics Club
- Lake Kununurra Golf Club
- Kimberley Rugby League Association

- East Kimberley Cricket Association
- Kununurra Water Ski Club
- Kununurra Touch Association
- Kununurra Tennis Association

The Chipping In program was run as a volunteer recognition initiative set up by the Shire's Club Development Officer in partnership with the Department of Sport and Recreation, the Ord River Sports Club and the Kimberley Grande. The award recognised community members and the time, dedication, commitment and efforts they put into their sport and recreation club/s. The Ord River Sports Club or Kimberley Grande sponsored a voucher to the winner, decided by the Club Development Officer every 2 months from the nominations received.

KidSport made it possible for Western Australian children to participate in community sport and recreation, no matter their financial circumstances. KidSport allowed eligible youth aged 5–18 years to apply for financial assistance to contribute towards club fees. The fees went directly to the registered KidSport clubs participating in the project.

The Shire of Wyndham East Kimberley was the first of the Kimberley Shires to launch KidSport in June 2012. The program has gone from strength to strength with applications doubling in 2013-2014. A total of 164 applicants were successful in applying for funding in 2013-2014. Since the program was established a total of \$25,041.58 has been paid to local clubs over a three year period.



KidSport participants

7.3.2 Waste Management Strategy

In July 2013 the Kimberley Region Waste Technical Advisory Group (TAG) engaged ASK Waste Management to undertake a review of the Regional Waste Management Plan (RWMP). ASK Waste Management Consultancy worked on identifying the current waste operations at each of the Kimberley Councils (Shire of Broome, Shire Derby West Kimberley, Shire of Halls Creek, and Shire Wyndham East Kimberley). ASK also assessed the progress for the actions in the previous RWMP. The results of the review and other information were then collated and a workshop was held in Broome to identify and discuss priority areas for the Kimberley region.

Following the workshop ASK Waste Management developed a draft RWMP which was presented to the TAG for review and to gain their comments prior to finalisation. All comments received were incorporated into the adopted RWMP.

The overarching goals of the RWMP are:

- Facilitate collaboration between the four Shires in the Kimberley with respect to waste management;
- Minimisation of the region's direct and indirect environmental impact of waste
- Management of the regions waste over the next five years;
- Waste managed in a sustainable manner; and
- Increased community awareness of the impact of waste issues on the environment.

7.3.3 Landfill and Waste / Litter Management

A litter management contract was implemented with the contract going to ToxFree for litter management in Kununurra and Wyndham.

The Kununurra landfill site was redeveloped and included the completion of a new gatehouse, incorporation of electronic record keeping, fencing upgrades and extension of the site to provide for the future.. Officers of the Department of Environment Regulation have commented that regulatory compliance for the Kununurra landfill site is at the highest level in the Shire's history.

Other activity completed throughout 2013-2014 was an upgrade to the landfill site access road (Old Darwin Road) and the partial completion of the liquid waste ponds.

7.3.4 Ranger Services

A large project was undertaken to address the problem of unregistered cats and dogs across the Shire. Animal audits were carried out for households throughout Kununurra and Wyndham. Registered pet numbers now better reflect the number of pets in the Shire of Wyndham East Kimberley. With assistance from the Wyndham and Kununurra police, Rangers actively reduced the number of dogs in and around the town to ensure the health and safety of the community.

A spike in illegal dumping was addressed with the Rangers monitoring bushland. A large number of infringements were issued mainly for the dumping of domestic waste.

The Ranger Services division had a focus on emergency management with the creation of the Emergency Management and Regulatory Services Co-ordinator position. Work in this area improved the Shire's emergency preparedness. A trial program commenced

with the responsibility for “fire response” in rural areas being transferred to the Department of Fire and Emergency Services (DFES) during the year’s fire season. The trial was successful and the arrangement will continue ongoing.

7.3.5 Community Safety Plan

The Shire and Police collaborated through the eWatch program, jointly producing a Monthly Newsletter. eWatch is a free email-based newsletter that keeps the community connected to the local police and Council, and includes updates on local crime trends and statistics, safety initiatives, emerging issues and community programs and events in both Kununurra and Wyndham.



The Shire were also involved in the Blue Light Disco Program in partnership with Police and other local organisations in Wyndham. The program offered monthly discos which meet the target group of disengaged youth, and ensured collaboration with the relevant organisations to achieve multiple outcomes within youth services.

7.3.6 Pool Assessments

Inspections for swimming pool security compliance (minimum four-year interval) were undertaken in compliance with the Building Regulations 2012.

Statistics of Inspections undertaken in 2013-2014 were as follows:

Town	Total Private Pools on Register	Inspected 2013/14 and Compliant	Inspected 2013/14 and Non-Compliant & Being Pursued for Compliance	New Pools Under Construction	2013/14 Failed to Respond to Request for Inspection	Yet to be Inspected or Contacted
Kununurra	241	100	32	5	19	85
Wyndham	9	3	2	0	0	4

7.3.7 Lake Kununurra Foreshore and Aquatic Use Plan

During the past year Council was involved with reviewing and implementing this plan, which includes broad objectives, strategies and specific actions to ensure that this popular community resource is managed to meet the needs of a diverse range of people, with close attention to the natural environment. As such, the Shire undertook several initiatives over the year:

- Utilisation of the Shire’s weed harvester to remove Cumbungi invasive weeds;

- Liaising with partner stakeholders to enable improved public access to the foreshore;
- Continued participation of community member representatives on the review committee;
- Coordinated further investigations into a common boat facility;
- Planning and funding completed for upgrades to the Lily Creek boat ramp;
- Sustained search for funding opportunities.

7.3.8 Lily Creek Boat Ramp

Council was successful in gaining funding for the Lily Creek boat ramp and jetty which will see a full replacement occurring over the next year. Geotechnical investigation, environmental approvals and detail design will be progressed in the latter half of 2014 and early 2015 with tenders to commence the construction schedule in November 2015. The work is due to be completed in July 2016 in accordance with the Funding Agreement between the Shire and the State Government.

SHIRE OF WYNDHAM EAST KIMBERLEY
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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Principal place of business: Address 30 Coolibah Drive PO Box 614 KUNUURRA WA 6743	

SHIRE OF WYNDHAM EAST KIMBERLEY
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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 30 June 2014 are in my opinion properly drawn up to present fairly the financial position of the Shire of Wyndham East Kimberley at 30th June 2014 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 as authorisation of issue on the 2 day of February 2015



Kevin Hannagan
Acting Chief Executive Officer

SHIRE OF WYNDHAM EAST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2014 \$	2014 Budget \$	2013 \$
Revenue				
Rates	22	7,596,334	7,431,122	7,006,756
Operating Grants, Subsidies and Contributions	28	2,210,613	2,186,158	6,212,650
Fees and Charges	27	7,245,234	7,628,784	6,850,227
Interest Earnings	2(a)	494,010	463,750	719,590
Other Revenue	2(a)	567,001	380,654	7,165,346
		<u>18,113,192</u>	<u>18,090,468</u>	<u>27,954,569</u>
Expenses				
Employee Costs		(10,480,900)	(10,530,918)	(9,540,670)
Materials and Contracts		(6,892,756)	(6,530,700)	(6,676,645)
Utility Charges		(1,135,506)	(929,208)	(1,005,186)
Depreciation on Non-Current Assets	2(a)	(5,649,409)	(4,694,750)	(4,166,478)
Interest Expenses	2(a)	(259,005)	(253,670)	(205,193)
Insurance Expenses		(467,188)	(538,237)	(440,080)
Other Expenditure		(2,509,461)	(848,912)	(952,697)
		<u>(27,394,225)</u>	<u>(24,326,395)</u>	<u>(22,986,949)</u>
		(9,281,033)	(6,235,927)	4,967,620
Non-Operating Grants, Subsidies and Contributions				
Contributions	28	2,519,767	6,493,853	3,190,645
Profit on Asset Disposals	20	9,365	815,345	61,998
Loss on Asset Disposals	20	(194,361)	(37,341)	(103,672)
NET RESULT		(6,946,262)	1,035,930	8,116,591
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets	12	27,175,144	0	808,168
Total Other Comprehensive Income		<u>27,175,144</u>	<u>0</u>	<u>808,168</u>
Total Comprehensive Income		<u><u>20,228,882</u></u>	<u><u>1,035,930</u></u>	<u><u>8,924,759</u></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 2014

	NOTE	2014 \$	2014 Budget \$	2013 \$
Revenue				
Governance		130,220	103,850	288,241
General Purpose Funding		9,853,156	9,682,667	11,676,478
Law, Order, Public Safety		50,150	53,318	46,038
Health		81,520	75,200	23,540
Education and Welfare		159,481	174,377	199,471
Housing		222,321	258,794	190,244
Community Amenities		2,442,280	2,588,387	2,474,155
Recreation and Culture		636,721	620,744	7,138,059
Transport		4,133,362	4,255,209	5,322,250
Economic Services		97,384	175,000	149,180
Other Property and Services		306,597	102,922	446,913
	2(a)	18,113,192	18,090,468	27,954,569
Expenses				
Governance		(3,083,469)	(3,218,068)	(1,855,997)
General Purpose Funding		(883,014)	(650,513)	(552,984)
Law, Order, Public Safety		(688,228)	(674,838)	(611,850)
Health		(473,040)	(467,541)	(481,941)
Education and Welfare		(477,805)	(481,362)	(421,787)
Housing		(728,514)	(592,886)	(676,748)
Community Amenities		(5,669,328)	(4,814,747)	(4,624,931)
Recreation & Culture		(5,731,782)	(4,957,920)	(4,704,365)
Transport		(7,865,577)	(7,053,704)	(7,483,892)
Economic Services		(980,447)	(946,795)	(791,130)
Other Property and Services		(554,016)	(214,351)	(576,131)
	2(a)	(27,135,220)	(24,072,725)	(22,781,756)
Financial Costs				
Governance		(162,674)	(167,243)	(107,326)
Education and Welfare		(23,374)	(20,989)	(26,719)
Housing		(4,646)	(4,599)	(4,936)
Community Amenities		(21,486)	(10,121)	(11,873)
Recreation & Culture		(46,825)	(50,718)	(54,339)
	2(a)	(259,005)	(253,670)	(205,193)
Non-Operating Grants, Subsidies and Contributions				
Governance		0	1,553,790	0
Law, Order, Public Safety		0	504,504	0
Housing		947,765	947,765	947,764
Community Amenities		0	0	10,000
Recreation & Culture		114,124	13,461	633,771
Transport		1,457,878	3,474,333	1,599,110
		2,519,767	6,493,853	3,190,645
Profit/(Loss) on Disposal of Assets				
Housing		9,289	720,665	0
Community Amenities		(6,845)	4,596	0
Recreation & Culture		0	0	(7,851)
Transport		(3,444)	12,325	(30,489)
Other Property and Services		(183,996)	40,418	(3,334)
		(184,996)	778,004	(41,674)
Net Result		(6,946,262)	1,035,930	8,116,591
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	27,175,144	0	808,168
Total Other Comprehensive Income		27,175,144	0	808,168
Total Comprehensive Income		20,228,882	1,035,930	8,924,759

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 2014**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2012		86,418,783	6,468,455	0	92,887,238
Comprehensive Income		8,116,591	0	0	8,116,591
Net Result		<u>8,116,591</u>	<u>0</u>	<u>808,168</u>	<u>808,168</u>
Changes on Revaluation of Non-Current Assets	12	0	0	808,168	808,168
Total Comprehensive Income		<u>(819,948)</u>	<u>819,948</u>	<u>0</u>	<u>0</u>
Transfers from/(to) Reserves					
Balance as at 30 June 2013		93,715,426	7,288,403	808,168	101,811,997
Comprehensive Income		(6,946,262)	0	0	(6,946,262)
Net Result		<u>70,353</u>	<u>0</u>	<u>(70,353)</u>	<u>0</u>
Transfer of prior year revaluation increment to retained earnings due to sale of plant and equipment	12(b)	0	0	27,175,144	27,175,144
Changes on Revaluation of Non-Current Assets	12	(6,875,909)	0	27,104,791	20,228,882
Total Comprehensive Income		<u>(974,951)</u>	<u>974,951</u>	<u>0</u>	<u>0</u>
Transfers from/(to) Reserves					
Balance as at 30 June 2014		85,864,566	8,263,354	27,912,959	122,040,879

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 2014**

	NOTE	2014 \$	2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	8,915,709	12,550,556
Trade and Other Receivables	4	1,727,675	1,777,825
Inventories	5	10,355	10,606
Other Financial Assets		6,682	6,682
TOTAL CURRENT ASSETS		<u>10,660,421</u>	<u>14,345,669</u>
NON-CURRENT ASSETS			
Other Receivables	4	14,549	10,320
Inventories	5	46,283	46,283
Property, Plant and Equipment	6	68,656,354	42,119,322
Infrastructure	7	55,223,997	53,552,754
TOTAL NON-CURRENT ASSETS		<u>123,941,183</u>	<u>95,728,679</u>
TOTAL ASSETS		<u>134,601,604</u>	<u>110,074,348</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	3,794,119	1,354,920
Current Portion of Long Term Borrowings	9	2,261,457	478,397
Provisions	10	1,047,309	1,060,643
TOTAL CURRENT LIABILITIES		<u>7,102,885</u>	<u>2,893,960</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	5,314,442	5,267,401
Provisions	10	143,398	100,990
TOTAL NON-CURRENT LIABILITIES		<u>5,457,840</u>	<u>5,368,391</u>
TOTAL LIABILITIES		<u>12,560,725</u>	<u>8,262,351</u>
		<u>122,040,879</u>	<u>101,811,997</u>
EQUITY			
Retained Surplus		85,864,566	93,715,426
Reserves - Cash Backed	11	8,263,354	7,288,403
Revaluation Surplus	12	27,912,959	808,168
TOTAL EQUITY		<u>122,040,879</u>	<u>101,811,997</u>

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 2014**

	NOTE	2014 \$	2014 Budget \$	2013 \$
Cash Flows From Operating Activities				
Receipts				
Rates		7,807,543	7,681,122	7,179,233
Operating Grants, Subsidies and Contributions		2,114,114	2,931,028	6,212,650
Fees and Charges		7,302,938	7,753,785	8,187,640
Interest Earnings		494,010	385,250	719,590
Goods and Services Tax		1,458,002	2,270,820	2,973,562
Other Revenue		567,001	380,654	663,354
		<u>19,743,608</u>	<u>21,402,659</u>	<u>25,936,029</u>
Payments				
Employee Costs		(10,601,941)	(10,215,918)	(9,502,914)
Materials and Contracts		(4,310,611)	(6,289,630)	(7,253,734)
Utility Charges		(1,135,506)	(884,208)	(1,005,186)
Interest Expenses		(251,583)	(253,670)	(199,524)
Insurance Expenses		(467,188)	(488,238)	(440,080)
Goods and Services Tax		(1,584,495)	(1,644,878)	(3,175,982)
Other Expenditure		(2,509,464)	(848,913)	(841,383)
		<u>(20,860,788)</u>	<u>(20,625,455)</u>	<u>(22,418,803)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>(1,117,180)</u>	<u>777,204</u>	<u>3,517,226</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	(504,504)	(23,184)
Payments for Purchase of Property, Plant & Equipment		(3,299,361)	(4,428,913)	(6,118,091)
Payments for Construction of Infrastructure		(4,087,512)	(10,844,598)	(5,645,452)
Non-Operating Grants, Subsidies and Contributions		2,519,767	5,993,853	3,190,645
Proceeds from Sale of Fixed Assets		519,337	1,015,027	268,551
Net Cash Provided by (Used in) Investment Activities		<u>(4,347,769)</u>	<u>(8,769,135)</u>	<u>(8,327,531)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(478,397)	(478,397)	(352,993)
Proceeds from New Debentures		2,308,498	2,308,498	4,000,000
Net Cash Provided By (Used In) Financing Activities		1,830,101	1,830,101	3,647,007
Net Increase (Decrease) in Cash Held		(3,634,847)	(6,161,830)	(1,163,298)
Cash at Beginning of Year		12,550,556	12,913,101	13,713,854
Cash and Cash Equivalents at the End of the Year	13(a)	<u>8,915,709</u>	<u>6,751,271</u>	<u>12,550,556</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 2014**

	NOTE	2014 Actual \$	2014 Budget \$	2013 Actual \$
Revenue				
Governance		130,220	1,657,640	288,241
General Purpose Funding		2,256,822	2,251,545	4,669,722
Law, Order, Public Safety		50,150	557,822	46,038
Health		81,520	75,200	23,540
Education and Welfare		159,481	174,377	199,471
Housing		1,179,375	1,927,224	1,138,008
Community Amenities		2,442,280	2,592,983	2,484,155
Recreation and Culture		750,845	634,205	7,771,830
Transport		5,591,239	7,743,542	6,921,360
Economic Services		97,384	175,000	149,180
Other Property and Services		306,597	179,006	446,913
		<u>13,045,913</u>	<u>17,968,544</u>	<u>24,138,458</u>
Expenses				
Governance		(3,246,143)	(3,385,311)	(1,963,323)
General Purpose Funding		(883,014)	(650,513)	(552,984)
Law, Order, Public Safety		(688,228)	(674,838)	(611,850)
Health		(473,040)	(467,541)	(481,941)
Education and Welfare		(501,179)	(502,351)	(448,506)
Housing		(733,160)	(597,485)	(681,684)
Community Amenities		(5,697,659)	(4,824,868)	(4,636,804)
Recreation and Culture		(5,778,606)	(5,008,638)	(4,766,556)
Transport		(7,869,021)	(7,055,379)	(7,514,381)
Economic Services		(980,447)	(946,795)	(791,130)
Other Property and Services		(738,014)	(250,017)	(579,464)
		<u>(27,588,511)</u>	<u>(24,363,736)</u>	<u>(23,028,623)</u>
Net Result Excluding Rates		(14,542,598)	(6,395,192)	1,109,835
Adjustments for Cash Budget Requirements:				
Initial Recognition of Assets Due to Change to Regulations				
- Land		0	0	(6,501,992)
Revaluation Losses Recognised through Expenditure		0	0	111,314
(Profit)/Loss on Asset Disposals	20	184,996	(778,004)	41,674
Movement in Deferred Pensioner Rates (Non-Current)		(4,229)	0	(964)
Movement in Employee Benefit Provisions		29,075	48,452	3,329
Depreciation on Assets	2(a)	5,649,409	4,694,750	4,166,478
Capital Expenditure and Revenue				
Purchase Land Held for Resale		0	(504,504)	(23,184)
Purchase Land and Buildings	6(a)	(1,997,294)	(3,076,165)	(4,357,944)
Purchase Furniture and Equipment	6(a)	(185,222)	(469,265)	(530,716)
Purchase Plant and Equipment	6(a)	(952,807)	(833,485)	(1,008,006)
Purchase Property Plant & Equipment- Work in Progress	6(a)	(164,038)		(221,425)
Purchase Roads	7(a)	(1,912,357)	(2,058,500)	(3,247,700)
Purchase Footpaths	7(a)	0	(31,000)	(16,218)
Purchase Drainage	7(a)	(458,658)	(675,000)	(362,930)
Purchase Bridges	7(a)	(125,999)		(21,307)
Purchase Other Infrastructure	7(a)	(185,812)	(7,142,044)	(1,392,647)
Purchase Infrastructure- Work in Progress	7(a)	(1,404,686)		(604,652)
Proceeds from Disposal of Fixed Assets	20	519,337	1,015,027	268,551
Repayment of Debentures	21(a)	(478,397)	(478,397)	(352,993)
Proceeds from New Debentures	21(a)	2,308,498	2,308,498	4,000,000
Transfers to Reserves (Restricted Assets)	11	(1,807,305)	(2,205,012)	(1,569,242)
Transfers from Reserves (Restricted Assets)	11	832,354	3,111,153	749,294
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	5,702,346	6,068,866	8,457,035
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	(1,397,052)	31,300	5,702,346
Total Amount Raised from General Rate	22(a)	<u>(7,596,334)</u>	<u>(7,431,122)</u>	<u>(7,006,756)</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report comprises general purpose financial statements which have 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. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

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 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.

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. A separate statement of those monies appears at Note 19. to these financial statements.

(b) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable.

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 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments 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 reported as short term borrowings in current liabilities in the statement of financial position.

(d) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability 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.

(e) 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 Sale

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

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
 - (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or-
 - (II) Infrastructure;
- and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, 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.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Revaluation

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

Transitional Arrangements

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** Methodology section as detailed above.

Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to Fair Value, AASB 13 – Fair Value Measurement only become applicable for the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology in the previous reporting period (year ended 30 June 2013) the Council chose to early adopt AASB 13

As a consequence, the principles embodied in *AASB 13 - Fair Value Measurement* have been applied to the previous reporting period (year ended 30 June 2013).

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 AASB 1051 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.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Major depreciation periods used for each class of depreciable asset are:

Buildings	10 to 50 years
Computers	3 years
Communications	5 years
Furniture	10 years
Equipment	5 years
Light Plant	3 years
Medium Plant	7 years
Heavy Plant	10 years
Town Roads	10 to 45 years
Rural Roads	10 to 40 years
Runways/ Aprons / Taxiways	25 years
Footpaths	15 to 20 years
Drainage	40 years
Parks and Ovals	35 years
Street Lighting	25 years
Boat Ramps	10 years

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

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

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities (Continued)

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(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 (i.e. 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.

Classification and Subsequent Measurement

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

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 and any reduction for impairment; and
- (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.

The effective interest 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.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. 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. Gains or losses are recognised in profit or loss.

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 that the Council has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in non-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.

(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 payments.

They are subsequently measured at fair value with changes in such fair value (i.e. 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 that 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 available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are 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 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

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 continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. 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.

(i) Impairment of Assets

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 (e.g. AASB 116) whereby 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, are recognised as a current liability and are normally paid within 30 days of recognition.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-Term Employee Benefits

Provision is made for the Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(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 until such time as the asset is substantially ready for its intended use or sale.

(m) Provisions

Provisions are recognised when the Council has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and 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 2014

1. SUMMARY OF 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) Investment in Associates

An associate is an entity over which the Council has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate. In addition, the Council's share of the profit or loss of the associate is included in the Council's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

When the Council's share of losses in an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Council will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(p) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) 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 operations for the current reporting period.

(r) 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.

(s) 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 sale where it is held as non-current based on the Council's intentions to release for sale.

(t) Rounding Off Figures

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

(u) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(v) 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 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council.

Management's assessment of the new and amended pronouncements that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 – Financial Instruments	December 2013	1 January 2018	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 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 2013	1 January 2018	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 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iii) AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities] [AASB 1, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	December 2012	1 January 2014	Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128. It is not expected to have a significant impact on Council.
(iv) AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	1 January 2014	This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. This Standard is not expected to significantly impact the Council's financial statements.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(v) AASB 2013 - 3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	June 2013	1 January 2014	This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets. It is not expected to have a significant impact on Council.
(vi) AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]	October 2013	1 January 2014	This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities. It is not expected to have a significant impact on Council.
(vii) AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]	December 2013	Refer Title column	Part A of this standard makes various editorial corrections to Australian Accounting Standards. Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031. Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value. As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.

Notes:

⁽¹⁾ 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 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) 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 were compiled, became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 10	AASB 128	AASB 2012 - 2
AASB 11	AASB 2011 - 7	AASB 2012 - 3
AASB 12	AASB 2011 - 9	AASB 2012 - 5
AASB 119	AASB 2011 - 10	AASB 2012 - 10
AASB 127		

Most of the standards adopted had a minimal effect on the accounting and reporting practices of the Council as they did not have a significant impact on the accounting or reporting practices or were either not applicable, 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 2014**

2. REVENUE AND EXPENSES	2014	2013
	\$	\$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Significant Expense		
Governance	1,622,019	0
Other Property and Services	0	111,314
	<u>1,622,019</u>	<u>111,314</u>
This significant expense in 2014 relates to revenue received during the year ended 30 June 2012 in relation to CLGF funding for Kimberley Zone housing construction. In January 2014, the Shire of Broome took over the Kimberley Zone Secretariat and is to hold the regional funding allocations, therefore requiring the transfer of \$ 1,622,019 to Broome.		
The significant expense in 2013 related to the reduction in fair value of the Shire's furniture and equipment.		
Both significant expenses in 2014 and 2013 have been classified as Other Expenditure by Nature or Type.		
Auditors Remuneration		
- Audit of the annual financial report	22,500	21,500
- Financial Management Review	8,000	0
- Assistance with the finalisation of the 2012-13 annual financial report	16,115	0
- Audit of grant funded projects and others	14,700	14,495
	<u>61,315</u>	<u>35,995</u>
Depreciation		
Non-Specialised Buildings	624,287	569,811
Specialised Buildings	1,124,300	574,952
Furniture and Equipment	226,290	192,847
Plant and Equipment	725,321	605,654
Land Vested in and Under Control of Council - Buildings	273,290	0
Roads	1,678,191	1,332,471
Footpaths	80,345	74,977
Drainage	25,190	15,396
Bridges	10,438	9,853
Airport - Infrastructure	220,549	220,549
Other Infrastructure	661,208	569,968
	<u>5,649,409</u>	<u>4,166,478</u>
Interest Expenses (Finance Costs)		
Debentures (<i>refer Note 21.(a)</i>)	259,005	205,193
	<u>259,005</u>	<u>205,193</u>
Rental Charges		
- Operating Leases	241,156	228,970
	<u>241,156</u>	<u>228,970</u>
(ii) Crediting as Revenue:		
Significant Revenue		
Recreation and Culture	0	6,501,992
	<u>0</u>	<u>6,501,992</u>
This significant revenue in 2013 related to the initial recognition of golf courses, race courses and showground on Crown Land under the Shire's control in accordance with amendments to the Financial Management Regulations. They have been classified as Other Revenue by Nature or Type.		
Other Revenue		
Reimbursements and Recoveries	186,019	271,789
Significant Revenue (Refer Above)	0	6,501,992
Other	380,982	391,565
	<u>567,001</u>	<u>7,165,346</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

2. REVENUE AND EXPENSES (Continued)

(a) Net Result (continued)

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Interest Earnings			
- Reserve Funds	252,320	246,250	324,748
- Other Funds	140,455	100,000	271,211
Other Interest Revenue (<i>refer note 26</i>)	101,235	117,500	123,631
	<u>494,010</u>	<u>463,750</u>	<u>719,590</u>

(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.

COMMUNITY VISION

For the East Kimberley to be a thriving community with opportunities for all.

Council operations as disclosed in these financial statements encompass the following service orientated activities/programs.

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.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

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.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

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.

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 AND 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 2014**

2. REVENUE AND EXPENSES (Continued)

(g) Conditions Over Grants/Contributions	Grant/Contribution	Function/ Activity	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
			Balance ⁽¹⁾ 1/07/12 \$	2012/13 \$	2012/13 \$	Balance ⁽¹⁾ 30/06/13 \$	2013/14 \$	2013/14 \$	Balance 30/06/14 \$
Childrens Book Week		Recreation and Culture	4,350	3,700	(5,642)	2,408	4,300	(5,648)	1,060
Royalties for Regions (SWEK -CLGF11/12)		Housing	0	947,764	(675,029)	272,735	0	(207,035)	65,700
Royalties for Regions (SWEK CLGF12/13)		Housing	0	0	0	0	948,377	(248,936)	699,441
State Local Road Black Spot		Transport	0	0	0	0	81,334	(65,600)	15,734
Regional Road Group -Main Roads WA		Transport	782,369	505,816	(1,106,463)	181,722	591,999	(498,576)	275,145
Road Upgrade - Carilton Hill Road		Transport	0	225,000	(3,635)	221,365	0	(20,365)	201,000
Sustainable Regions Grant		Transport	26,300	0	0	26,300	0	0	26,300
Aboriginal Access Roads - Federal Grant (WALGGC)		Transport	225,553	308,000	(533,553)	0	413,934	(366,515)	47,419
Contribution to Local Planning Strategy		Community Amenities	0	0	0	0	100,000	(94,000)	6,000
East Kimberley Development Package		Various	560,520	168,065	0	728,585	0	(726)	727,859
Wyndham Community Resource Centre (CRC) - Remote Indigenous Public Internet Access programme		Recreation and Culture	0	0	0	0	28,341	0	28,341
Kids in Sport		Recreation and Culture	29,130	0	(5,716)	23,414	0	(23,414)	0
Club Development Officer (DSR)		Recreation and Culture	0	105,000	(19,766)	85,234	10,000	(95,234)	0
Youth Services (FaCHSIA)		Community Amenities	50,000	0	(956)	49,044	0	(49,044)	0
Youth Services (AGD)		Youth Services (AGD)	153,231	133,000	(158,816)	127,415	32,000	(159,415)	0
Roads to Recovery		Transport	934,508	135,092	(1,026,194)	43,406	0	(43,406)	0
Kimberley Zone Secretariat		Governance	90,103	25,155	(115,258)	0	0	0	0
Kimberley Zone Business Plan		Governance	2,174	25,000	(24,999)	2,175	0	(2,175)	0
Kimberley Zone Housing Construction		Governance	2,368,523	92,140	(10,478)	2,450,185	43,216	(2,493,401)	0
Kimberley Regional Collaborative Group		Governance	12,774	44,075	(42,065)	14,784	0	(14,784)	0
Kimberley Joint Shires - Service Delivery Remote Aboriginal Communities (DLG)		Governance	1,424	0	0	1,424	0	(1,424)	0
Kimberley Regional Collaborative Group - Project Officer (DLG)		Governance	25,409	1,585	(26,994)	0	0	0	0
Aboriginal Access Roads - State Grant		Transport	0	0	0	0	165,574	(165,574)	0
Integrated Planning Framework (IPF) - Asset Management Funding		Governance	16,272	0	(16,272)	0	0	0	0

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

2. REVENUE AND EXPENSES (Continued)

Grant/Contribution	Function/ Activity	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
		Balance ⁽¹⁾ 1/07/12	2012/13	2012/13	Balance ⁽¹⁾ 30/06/13	2013/14	2013/14	Balance 30/06/14
		\$	\$	\$	\$	\$	\$	\$
Integrated Planning Framework (IPF) - Long Term Financial Planning Funding	Governance	30,000	0	(30,000)	0	0	0	0
Wyndham Foreshore Protection and Enhancement Plan - Funding	Community Amenities	4,500	10,500	(15,000)	0	0	0	0
KLC Hall Upgrade	Recreation and Culture	12,641	150,105	(162,746)	0	0	0	0
Crime Prevention (Park Lighting)	Community Amenities	25,000	0	(25,000)	0	0	0	0
Regional Local Community Infrastructure Grant	Recreation and Culture	28,670	0	(28,670)	0	0	0	0
Kimberley Development Commission	Economic Development	88,000	0	(88,000)	0	0	0	0
Youth Trainee (DLG)	Community Amenities	11,500	0	(11,500)	0	0	0	0
Wyndham Community Resource Centre (CRC) - Building & Infrastructure Grant Fund	Recreation and Culture	0	0	0	0	90,000	(90,000)	0
Wyndham Community Resource Centre (CRC) - Operational	Recreation and Culture	0	0	0	0	65,000	(65,000)	0
Celebrity Tree Boat Ramp - Grant	Recreation and Culture	0	0	0	0	15,000	(15,000)	0
Total		5,482,951	2,879,997	(4,132,752)	4,230,196	2,589,075	(4,725,272)	2,093,999

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - 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.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	Note	2014 \$	2013 \$
3. CASH AND CASH EQUIVALENTS			
Cash on Hand - Unrestricted		1,700	1,300
Cash at Bank- Municipal		650,655	5,260,853
Restricted Reserves		8,263,354	7,288,403
		<u>8,915,709</u>	<u>12,550,556</u>
Cash at Bank - Municipal			
Unrestricted Cash*		(3,010,309)	1,030,657
Restricted Cash - Unspent Grants	2c	2,093,999	4,230,196
Restricted Cash - Unspent Loans	21(c)	1,566,965	0
		<u>650,655</u>	<u>5,260,853</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Waste Management	11	179,151	295,061
Airport General	11	6,373,410	5,189,347
Plant and Equipment	11	2,761	75,305
Parking	11	112,247	234,084
Non-Potable Water	11	89,230	89,570
Civic Buildings	11	7,609	7,353
East Kimberley Tourism	11	127,431	116,481
Foreshore Reservation	11	121,875	83,156
Staff Entitlement	11	223,934	216,403
Recreation Hardcourts	11	26,000	25,126
Bio Security	11	267,364	258,371
Childcare	11	132,688	118,661
Parks	11	307,502	297,160
Legal Fees	11	3,514	3,395
Youth Bus	11	19,186	18,541
Footpaths	11	269,452	260,389
		<u>8,263,354</u>	<u>7,288,403</u>

* The negative unrestricted cash balance as at 30 June 2014 is mainly as a result of works undertaken whereby the funding was not received until the 2014-15 financial year and accruals could not be raised.

The main factors were:

-Flood Recovery Works (WANDRRA)	\$	1.073m
-Asphalt Resurfacing Program (Roads to Recovery)	\$	0.461m
-Anticipated Sale of Boobialla Property Not Coming To Fruition	\$	0.414m

4. TRADE AND OTHER RECEIVABLES

Current

Rates Outstanding	306,016	521,454
Sundry Debtors	856,180	759,681
GST Receivable	253,969	127,476
Bonds Paid for Staff Housing	17,860	17,860
Accrued Income	293,650	351,354
	<u>1,727,675</u>	<u>1,777,825</u>

Non-Current

Rates Outstanding - Pensioners	14,549	10,320
	<u>14,549</u>	<u>10,320</u>

5. INVENTORIES

Current

Fuel and Materials	10,355	10,606
	<u>10,355</u>	<u>10,606</u>

Non-Current

Land Held for Resale - Cost		
Development Costs	46,283	46,283
	<u>46,283</u>	<u>46,283</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

	2014 \$	2013 \$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2013	12,642,000	0
- Cost	0	2,958,255
- Additions after Valuation - Cost	295,000	0
	12,937,000	2,958,255
Land Vested In and Under the Control of Council at:		
- Management Valuation 2013	3,108,474	0
- Cost	0	4,294,383
	3,108,474	4,294,383
Total Land	16,045,474	7,252,638
Non-Specialised Buildings at:		
- Independent Valuation 2013	14,423,000	0
- Cost	0	13,611,074
- Additions after Valuation - Cost	1,269,711	0
Less: Accumulated Depreciation	(603,983)	(4,028,112)
	15,088,728	9,582,962
Specialised Buildings at:		
- Independent Valuation 2013	28,268,278	0
- Cost	0	24,606,169
- Additions after Valuation - Cost	432,583	0
Less: Accumulated Depreciation	(1,124,300)	(4,638,523)
	27,576,561	19,967,646
Land Vested in and Under Control of Council - Buildings at:		
- Management Valuation 2013	3,485,476	0
- Independent Valuation 2013	1,350,000	0
Less Accumulated Depreciation	(273,290)	0
	4,562,186	0
Total Buildings	47,227,475	29,550,608
Total Land and Buildings	63,272,949	36,803,246
Furniture and Equipment at:		
- Management Valuation 2013	346,120	346,120
- Independent Valuation 2013	544,739	544,739
- Additions after Valuation - Cost	185,222	0
Less Accumulated Depreciation	(226,290)	0
	849,791	890,859
Plant and Equipment at:		
- Management Valuation 2013	33,069	33,069
- Independent Valuation 2013	3,887,479	4,065,260
- Additions after Valuation - Cost	952,807	0
Less Accumulated Depreciation	(725,321)	0
	4,148,034	4,098,329
Work in Progress at:		
- Cost	385,580	326,888
	385,580	326,888
	68,656,354	42,119,322

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land and Buildings:

The Shire's Land and Buildings were revalued at 1 July 2013 by independent valuers. In relation to land, valuations were made on the basis of observable open market values of similar assets, adjusted for conditions and comparability, at their highest and best use (Level 2 inputs in the fair value hierarchy) unless there are some restrictions or other factors associated with the land which resulted in the land being deemed to be valued using Level 3 inputs.

These restrictions and other factors including zoning, area, usage or topography which resulted in a reduced degree of confidence applying a typical valuation method based on direct comparable sales evidence. The value of these lands were derived by making the necessary adjustments to the closest available market evidence in order to reflect the current (highest and best) use to which the land is zoned. Given the significance of the Level 3 inputs into the overall fair value measurement these lands are deemed to have been valued using Level 3 inputs.

With regards to specialised buildings and non-specialised buildings, these were valued having regard for their current replacement cost utilising both observable and unobservable inputs being construction costs based on contract prices, current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs).

Given the significance of the Level 3 inputs into the overall fair value measurement, these specialised buildings and non-specialised buildings are deemed to have been valued using Level 3 inputs. These Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

The valuation of these assets resulted in an overall increase of \$ 27,175,144 in the net value of the Shire's land and buildings. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(a) for further details) and was recognised as Changes on Revaluation of non-current Assets in the Statement of Comprehensive Income.

With regard to land vested in and under the control of Council, these assets were originally recognised as at 30 June 2013 at deemed cost where cost was effectively the fair value at the date of recognition.

As land vested in and under the control of Council is Crown Land restricted as to usage, it is not possible for an alternative usage to be considered when arriving at the fair value. In addition, due to its nature, any significant value attributable directly to the land would likely be offset by the need to return value to the Crown before any restriction is lifted, thus reducing the net fair value to nil.

Consequently, the original value of deemed cost was obtained having regard for the current replacement cost of the improvements on the land to allow for its current restricted usage.

These included both observable and unobservable inputs being construction costs based on recent contract prices, current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs).

Given the significance of the Level 3 inputs into the overall fair value measurement, this land vested in and under the control of Council is deemed to have been valued using Level 3 inputs.

These Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

Due to the mandatory fair value measurement framework as detailed in Note 1(f), Land vested in and under the control of Council required a fair value assessment to occur in the current year.

This was performed by management at 1 July 2013 on the same basis as the prior year deemed cost valuation was arrived at.

The revaluation of land vested in and under the control of Council resulted in neither an increase nor a decrease in the net value of the Land Vested in and under Control of the Council. Consequently no adjustment was recognised in either the net result or other comprehensive income in the Statement of Comprehensive income.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Plant and Equipment:

Furniture and Equipment:

Both plant and equipment and furniture and equipment were revalued in 2013 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A.

Whilst the additions since that time are shown at cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. Thus, the value is considered in accordance with Local Government (Financial Management (Regulation) 17A (2) which requires these assets to be shown at fair value.

They will be revalued during the year ended 30 June 2016 in accordance with the mandatory asset measurement framework detailed at Note 1(f).

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

6 PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) 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.

	Balance at the Beginning of the Year	Transfer from/(to) Infrastructure	Additions	(Disposals)	Revaluation Increments/(Decrements)	Impairment (Losses)/Reversals	Depreciation (Expense)	Carrying Amount at the End of Year
	\$	\$	\$	\$	\$	\$	\$	\$
Freehold Land (Level 2)	2,953,695	(182,338)	295,000	(185,906)	4,878,109	0	0	7,758,560
Freehold Land (Level 3)	4,560	0	0	0	5,173,880	0	0	5,178,440
Land Vested In and Under the Control of Council	4,294,383	(1,185,909)	0	0	0	0	0	3,108,474
Total Land	7,252,638	(1,368,247)	295,000	(185,906)	10,051,989	0	0	16,045,474
Non-Specialised Buildings (Level 2)	7,636,668	(8,008)	909,345	(339,380)	2,106,023	0	(413,664)	9,890,984
Non-Specialised Buildings (Level 3)	4,001,182	0	360,366	0	1,046,819	0	(210,623)	5,197,744
Specialised Buildings (Level 3)	15,705,149	0	432,583	0	12,563,128	0	(1,124,300)	27,576,560
Land Under Control - Buildings	2,207,609	1,220,683	0	0	1,407,185	0	(273,290)	4,562,187
Total Buildings	29,550,608	1,212,675	1,702,294	(339,380)	17,123,155	0	(2,021,877)	47,227,475
Total Land and Buildings	36,803,246	(155,572)	1,997,294	(525,286)	27,175,144	0	(2,021,877)	63,272,949
Furniture and Equipment (Level 3)	890,859	0	185,222	0	0	0	(226,290)	849,791
Plant and Equipment (Level 2)	2,922,950	1,266	952,807	(177,685)	0	0	(555,239)	3,144,099
Plant and Equipment (Level 3)	1,175,379	0	0	(1,362)	0	0	(170,082)	1,003,935
Work in Progress	326,888	(105,346)	164,038	0	0	0	0	385,580
Total Property, Plant and Equipment	42,119,322	(259,652)	3,299,361	(704,333)	27,175,144	0	(2,973,488)	68,656,354

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014 \$	2013 \$
7. INFRASTRUCTURE		
Roads		
- Cost	51,410,173	48,998,378
Less Accumulated Depreciation	<u>(17,614,218)</u>	<u>(15,936,026)</u>
	33,795,955	33,062,352
Footpaths		
- Cost	1,984,671	1,984,671
Less Accumulated Depreciation	<u>(1,076,721)</u>	<u>(996,376)</u>
	907,950	988,295
Drainage		
- Cost	2,557,698	2,024,774
Less Accumulated Depreciation	<u>(1,127,072)</u>	<u>(1,101,883)</u>
	1,430,626	922,891
Bridges		
- Cost	429,112	303,113
Less Accumulated Depreciation	<u>(54,733)</u>	<u>(44,295)</u>
	374,379	258,818
Other Infrastructure		
- Cost	19,206,255	17,300,898
Less Accumulated Depreciation	<u>(5,609,191)</u>	<u>(3,505,213)</u>
	13,597,064	13,795,685
Airport - Infrastructure		
- Cost	5,581,740	5,581,740
Less Accumulated Depreciation	<u>(2,079,347)</u>	<u>(1,858,798)</u>
	3,502,393	3,722,942
Work in Progress		
- Cost	<u>1,615,630</u>	<u>801,771</u>
	1,615,630	801,771
	<u>55,223,997</u>	<u>53,552,754</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

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.

	Balance as at the Beginning of the Year \$	Transfer from (to) Property, Plant and Equipment	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Roads	33,062,352	499,437	1,912,357	0	0	0	(1,678,191)	33,795,955
Footpaths	988,295	0	0	0	0	0	(80,345)	907,950
Drainage	922,891	74,267	458,658	0	0	0	(25,190)	1,430,626
Bridges	258,818	0	125,999	0	0	0	(10,438)	374,379
Other Infrastructure	13,795,685	276,775	185,812	0	0	0	(661,208)	13,597,064
Airport - Infrastructure	3,722,942	0	0	0	0	0	(220,549)	3,502,393
Work in Progress	801,771	(590,827)	1,404,686	0	0	0	0	1,615,630
Total	53,552,754	259,652	4,087,512	0	0	0	(2,675,921)	55,223,997

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

	2014 \$	2013 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	3,604,894	1,019,977
Accrued Interest on Debentures	41,523	34,101
Accrued Salaries and Wages	142,786	138,644
ATO Liabilities	0	154,257
Accrued Expenses	4,916	7,941
	<u>3,794,119</u>	<u>1,354,920</u>

9. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge Debentures	2,261,457	478,397
	<u>2,261,457</u>	<u>478,397</u>
Non-Current		
Secured by Floating Charge Debentures	5,314,442	5,267,401
	<u>5,314,442</u>	<u>5,267,401</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Analysis of Total Provisions

Current	1,047,309	1,060,643
Non-Current	143,398	100,990
	<u>1,190,707</u>	<u>1,161,633</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2013	708,228	453,405	1,161,633
Additional provision	499,228	99,221	598,449
Amounts used	(563,090)	(6,285)	(569,375)
Balance at 30 June 2014	<u>644,366</u>	<u>546,341</u>	<u>1,190,707</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

	2014 \$	2014 Budget \$	2013 \$
11. RESERVES - CASH BACKED			
(a) Waste Management			
Opening Balance	295,061	268,457	553,690
Amount Set Aside / Transfer to Reserve	75,067	444,771	300,877
Amount Used / Transfer from Reserve	(190,977)	(230,753)	(559,506)
	<u>179,151</u>	<u>482,475</u>	<u>295,061</u>
(b) Airport General			
Opening Balance	5,189,347	5,026,632	4,184,595
Amount Set Aside / Transfer to Reserve	1,584,890	1,614,550	1,004,752
Amount Used / Transfer from Reserve	(400,827)	(2,558,400)	0
	<u>6,373,410</u>	<u>4,082,782</u>	<u>5,189,347</u>
(c) Plant and Equipment			
Opening Balance	75,305	75,305	71,705
Amount Set Aside / Transfer to Reserve	2,456	2,595	3,600
Amount Used / Transfer from Reserve	(75,000)	(75,000)	0
	<u>2,761</u>	<u>2,900</u>	<u>75,305</u>
(d) Parking			
Opening Balance	234,084	234,084	279,376
Amount Set Aside / Transfer to Reserve	36,663	8,305	14,026
Amount Used / Transfer from Reserve	(158,500)	(110,000)	(59,318)
	<u>112,247</u>	<u>132,389</u>	<u>234,084</u>
(e) Non-Potable Water			
Opening Balance	89,570	89,570	85,288
Amount Set Aside / Transfer to Reserve	3,110	3,087	4,282
Amount Used / Transfer from Reserve	(3,450)	(88,000)	0
	<u>89,230</u>	<u>4,657</u>	<u>89,570</u>
(f) Civic Buildings			
Opening Balance	7,353	7,353	7,001
Amount Set Aside / Transfer to Reserve	256	253	352
Amount Used / Transfer from Reserve	0	0	0
	<u>7,609</u>	<u>7,606</u>	<u>7,353</u>
(g) East Kimberley Tourism			
Opening Balance	116,481	116,481	107,691
Amount Set Aside / Transfer to Reserve	14,550	13,997	15,902
Amount Used / Transfer from Reserve	(3,600)	(10,000)	(7,112)
	<u>127,431</u>	<u>120,478</u>	<u>116,481</u>
(h) Foreshore Reservation			
Opening Balance	83,156	83,155	8,750
Amount Set Aside / Transfer to Reserve	38,719	61,610	74,406
Amount Used / Transfer from Reserve	0	0	0
	<u>121,875</u>	<u>144,765</u>	<u>83,156</u>
(i) Staff Entitlement			
Opening Balance	216,403	221,430	216,644
Amount Set Aside / Transfer to Reserve	7,531	7,631	10,877
Amount Used / Transfer from Reserve	0	0	(11,118)
	<u>223,934</u>	<u>229,061</u>	<u>216,403</u>

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014 \$	2014 Budget \$	2013 \$
11. RESERVES - CASH BACKED (continued)			
(j) Recreation Hardcourts			
Opening Balance	25,126	47,126	62,976
Amount Set Aside / Transfer to Reserve	874	1,315	21,837
Amount Used / Transfer from Reserve	0	(14,000)	(59,687)
	<u>26,000</u>	<u>34,441</u>	<u>25,126</u>
(k) Bio Security			
Opening Balance	258,371	258,372	246,020
Amount Set Aside / Transfer to Reserve	8,993	8,904	12,351
Amount Used / Transfer from Reserve	0	0	
	<u>267,364</u>	<u>267,276</u>	<u>258,371</u>
(l) Childcare			
Opening Balance	118,661	118,662	106,261
Amount Set Aside / Transfer to Reserve	14,027	16,090	15,835
Amount Used / Transfer from Reserve	0	0	(3,435)
	<u>132,688</u>	<u>134,752</u>	<u>118,661</u>
(m) Parks			
Opening Balance	297,160	297,160	329,724
Amount Set Aside / Transfer to Reserve	10,342	10,241	16,554
Amount Used / Transfer from Reserve	0	0	(49,118)
	<u>307,502</u>	<u>307,401</u>	<u>297,160</u>
(n) Legal Fees			
Opening Balance	3,395	3,396	3,233
Amount Set Aside / Transfer to Reserve	119	117	162
Amount Used / Transfer from Reserve	0	0	0
	<u>3,514</u>	<u>3,513</u>	<u>3,395</u>
(o) Youth Bus			
Opening Balance	18,541	18,541	10,816
Amount Set Aside / Transfer to Reserve	645	2,572	7,725
Amount Used / Transfer from Reserve	0	0	0
	<u>19,186</u>	<u>21,113</u>	<u>18,541</u>
(p) Footpaths			
Opening Balance	260,389	260,389	194,685
Amount Set Aside / Transfer to Reserve	9,063	8,974	65,704
Amount Used / Transfer from Reserve	0	(25,000)	0
	<u>269,452</u>	<u>244,363</u>	<u>260,389</u>
TOTAL RESERVES	<u><u>8,263,354</u></u>	<u><u>6,219,972</u></u>	<u><u>7,288,403</u></u>
Total Opening Balance	7,288,403	7,126,113	6,468,455
Total Amount Set Aside / Transfer to Reserve	1,807,305	2,205,012	1,569,242
Total Amount Used / Transfer from Reserve	(832,354)	(3,111,153)	(749,294)
TOTAL RESERVES	<u><u>8,263,354</u></u>	<u><u>6,219,972</u></u>	<u><u>7,288,403</u></u>

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

11. RESERVES - CASH BACKED (continued)

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

(a) Waste Management

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

(b) 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.

(c) Plant and Equipment

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

(d) Parking

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

(e) Non-Potable Water

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

(f) Civic Buildings

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

(g) East Kimberley Tourism

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

(h) Foreshore Reservation

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

(i) Staff Entitlement

This reserve is to provide for Shire employee entitlements.

(j) Recreation Hardcourts

This reserve is for the purpose of providing for future capital upgrade of recreational hardcourts.

(k) Bio Security

This reserve is to hold funds for use in emergency situations that threaten the bio security of the East Kimberley.

(l) Childcare

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

(m) Parks

This reserve is 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.

(n) Legal Fees

This reserve is 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.

(o) Youth Bus

This reserve is to hold fees from the hire of youth buses to provide funds for their repairs, maintenance and replacement.

(p) Footpaths

This reserve is to hold developer contributions for the construction of footpaths after housing construction is completed in new subdivisions.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

12. REVALUATION SURPLUS

	2014	2013
	\$	\$
<p>Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:</p>		
(a) Land & Buildings		
Opening Balance	0	0
Revaluation Increment	27,175,144	0
Revaluation Decrement	0	0
	<u>27,175,144</u>	<u>0</u>
(b) Plant & Equipment		
Opening Balance	808,168	808,168
Revaluation Increment	0	0
Revaluation Decrement	(70,353)	0
	<u>737,815</u>	<u>808,168</u>
TOTAL ASSET REVALUATION SURPLUS	<u>27,912,959</u>	<u>808,168</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

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:

	2014 \$	2014 Budget \$	2013 \$
Cash and Cash Equivalents	<u>8,915,709</u>	<u>6,751,271</u>	<u>12,550,556</u>

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

Net Result	(6,946,262)	1,035,930	8,116,591
Depreciation	5,649,409	4,694,750	4,166,478
(Profit)/Loss on Sale of Asset	184,996	(778,004)	41,674
(Increase)/Decrease in Receivables	172,414	825,525	1,508,402
(Increase)/Decrease in Inventories	250	(3,135)	1,260
Increase/(Decrease) in Payables	2,586,034	1,447,539	(542,434)
Increase/(Decrease) in GST	(280,750)	0	(202,420)
Increase/(Decrease) in Accrued Interest on Debentures	7,422	0	5,670
Increase/(Decrease) in Employee Provisions	29,074	48,452	3,328
Grants Contributions for the Development of Assets	(2,519,767)	(6,493,853)	(3,190,645)
Initial Recognition of Assets due to Changes in Regulation	0	0	(6,501,992)
Loss on Revaluation of Fixed Assets	0	0	111,313
Net Cash from Operating Activities	<u>(1,117,180)</u>	<u>777,204</u>	<u>3,517,225</u>

	2014 \$	2013 \$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	55,000	55,000
Credit Card Balance at Balance Date	0	(15,082)
Total Amount of Credit Unused	<u>55,000</u>	<u>39,918</u>
Loan Facilities		
Loan Facilities - Current	2,261,457	478,397
Loan Facilities - Non-Current	5,314,442	5,267,401
Total Facilities in Use at Balance Date	<u>7,575,899</u>	<u>5,745,798</u>
Unused Loan Facilities at Balance Date	<u>1,566,965</u>	<u>221,657</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

14. CONTINGENT LIABILITIES

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 the extent of injuries suffered by some of the competitors in that event, legal action is expected. The Shire is fully insured in any event of judgement against the Shire.

	2014	2013
	\$	\$
15. CAPITAL AND LEASING COMMITMENTS		
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	93,794	194,077
- later than one year but not later than five years	0	100,746
- later than five years	0	0
	93,794	294,823
(b) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	935,356	444,572
- plant & equipment purchases	0	0
Payable:		
- not later than one year	935,356	444,572
The capital expenditure project outstanding at the end of the current reporting period represents		
Waterlily Place-Staff Housing	0	237,911
Wyndham Oval Toilet	0	80,000
Messmate Way Roundabout - Re-construct and seal	0	111,900
Celebrity Tree Boat Ramp -Planning	0	14,761
Kalumburu Road-Resheet	43,197	0
Maintenance at the East Kimberley Regional Airport	449,040	0
Erythrina street-Reconstruct, seal pavement and footpath	148,891	0
Kununurra town site-Asphalt resurfacing program	117,679	0
Coolibah drive-Asphalt resurfacing program	176,549	0
	935,356	444,572

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

16. JOINT VENTURE ARRANGEMENTS

The Shire of Wyndham East Kimberley was not involved in any Joint Ventures in the 2013/14 financial year.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2014	2013
	\$	\$
Governance	127,431	682,718
General Purpose Funding	0	0
Law, Order, Public Safety	241,353	95,473
Health	82,520	12,812
Education and Welfare	3,678,304	2,289,599
Housing	7,643,665	9,235,907
Community Amenities	5,122,955	4,777,740
Recreation and Culture	33,110,233	15,294,262
Transport	57,664,071	58,818,658
Economic Services	1,928,230	116,175
Other Property and Services	8,752,078	14,489,200
Unallocated	16,250,764	4,261,804
	<u>134,601,604</u>	<u>110,074,348</u>

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014	2013	2012
18. FINANCIAL RATIOS			
Current Ratio	0.18	1.06	1.61
Asset Sustainability Ratio	0.47	1.50	0.92
Debt Service Cover Ratio	(4.82)	16.66	3.34
Operating Surplus Ratio	(0.61)	0.33	0.04
Own Source Revenue Coverage Ratio	0.56	0.65	0.63

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

- (a) Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 62 of this document.
- (b) Three of the 2014 ratios disclosed above are distorted by an item of significant expense relating to the refund of the CLGF grant funding for the Kimberley Zone Housing Construction for \$ 1,622,019. This item forms part of operating expenses and has been included in the calculations above. This item of significant expenditure is considered to be "one-off" and if ignored, the calculations disclosed in the 2014 column above would be as follows:

	2014
Debt Service Cover Ratio	(2.63)
Operating Surplus Ratio	(0.50)
Own Source Revenue Coverage Ratio	0.60

- (c) Three of the 2013 ratios disclosed above were distorted by items of significant revenue and expense relating to:
 The initial recognition of Land under the Shire's control in accordance with amendments to the Financial Management Regulations amounting to \$6,501,992 (refer to Notes 1(f) and 2(a)(ii) for further details). This forms part of Operating revenue.
 The significant expense relating to the reduction in the fair value of the Shire's furniture and equipment amounting to \$111,314 (refer to note 1(g) and 2(a)(i) for further details). This forms part of operating expenses.
 These items form part of operating revenue and expenses and have been included in the calculations above.
 These items of significant revenue and expenditure are considered to be "one-off" and are non-cash in nature and, if they were ignored, the calculations disclosed in the 2013 column above would be as follows:

	2013
Debt Service Cover Ratio	5.21
Operating Surplus Ratio	(0.10)
Own Source Revenue Coverage Ratio	0.67

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

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 July 2013 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2014 \$
Housing Bonds	1,100	0	(1,100)	0
Councillor Nomination Bonds	320	1,120	(1,440)	0
ASIC - Airport Security Card	5,740	0	(1,000)	4,740
Footpath Bonds	39,650	9,892	(12,534)	37,008
Hall Hire Bonds - Kununurra Leisure Centre	6,900	5,150	(6,400)	5,650
Hall Hire Bonds - Peter Reid Memorial Hall	1,140	8,310	(8,930)	520
Wyndham Port Hall Bond	10,000	500	(250)	10,250
Wyndham Oval Hire Bonds	200	1,270	(750)	720
Kununurra Youth Centre Bonds	7,000	1,000	(6,000)	2,000
Other Trust Funds	580	0	0	580
Public Open Space Contributions	404,254	15,458	0	419,712
Building Services Levy	23,416	30,823	(50,409)	3,830
Building & Construction Industry Training Fund	18,987	57,532	(76,519)	0
Kimberley Zone Aboriginal Housing Project	10,000	133	(10,133)	0
Kununurra 50th Birthday Brick Fund	7,305	175	(5,656)	1,824
50th Anniversary Special Series Number Plates	11,725	2,999	(7,449)	7,275
Terminal Security Access Card	715	0	0	715
Transport Clearing Account	0	192,530	(192,530)	0
Health Application Fee	140	0	0	140
Private Works Bonds	0	66,000	0	66,000
	549,172	392,892	(381,100)	560,964

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

20. DISPOSALS OF ASSETS - 2013/14 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						
LB107/179- 29 Boobialla Street	0	41,864	0	400,000	0	358,136
LB108/180 - 23 Boobialla Street	377,048	37,471	386,337	400,000	9,289	362,529
Community Amenities						
<u>Landfill Plant</u>						
P365 - Toyota Hilux 2WD	14,118	9,054	7,273	13,650	(6,845)	4,596
Transport						
<u>Airport Plant</u>						
P476 - John Deere Tractor Mower	9,158	11,404	7,000	9,729	(2,158)	(1,675)
P345 - Line Marker	0	0	0	4,000	0	4,000
P351 - Massey Ferguson Tractor	0	0	0	10,000	0	10,000
P369 - Holden Commodore - WY13702	9,015	0	9,091	0	76	0
P752 - Fuel Tank	1,362	0	0	0	(1,362)	0
Other Property and Services						
<u>Light Plant</u>						
P358 - Toyota 4wd Hilux WY12885	12,057	12,729	9,091	18,480	(2,966)	5,751
P212 - Toyota Hilux- WY14226	20,218	12,719	13,636	18,480	(6,582)	5,761
P371 - Toyota Hilux Dual Cab 4WD WY07	21,268	14,199	19,091	33,122	(2,177)	18,923
P467 - Toyota Hilux 4WD Single Cab WY12448		9,608	0	18,480	0	8,872
P314 - Toyota Land cruise-WY12352	24,346	14,044	22,727	35,000	(1,619)	20,956
<u>Medium Plant</u>						
P481 - John Deere Ride on Mower with Dump Catcher	7,256	3,960	5,909	6,295	(1,347)	2,335
P362 - Kubota F3680 Ride on Mower	9,745	10,774	3,182	6,306	(6,563)	(4,468)
<u>Heavy Plant</u>						
P469 - Komatsu Skid Steer Loader with Bucket	13,875	8,229	8,500	21,715	(5,375)	13,486
P360 - Fuso Canter 3T Tipper Truck	36,629	50,968	27,500	19,770	(9,129)	(31,198)
<u>Assets Disposed/Derecognised during Re-Valuation</u>						
LB113 - LOT 692 Pindan Street	1,400	0	0	0	(1,400)	0
LB159 - Leased Residence No 2, Airport Wyndham	55,618	0	0	0	(55,618)	0
LB160 - Leased Residence No 7, Airport Wyndham	55,618	0	0	0	(55,618)	0
LB230 - 2 Daikin WMount Split Inverter AirCond SES						
HQ Building Mezz Floor	1,096	0	0	0	(1,096)	0
LB114 - LOT 750 Ironwood Drive	12,000	0	0	0	(12,000)	0
LB116 - O'Donnell Street - Telstra	1,000	0	0	0	(1,000)	0
LB118 - Parking Land Acquisition 04/05	21,506	0	0	0	(21,506)	0
	704,333	237,023	519,337	1,015,027	(184,996)	778,004

Profit	9,365	815,345
Loss	(194,361)	(37,341)
	<u>(184,996)</u>	<u>778,004</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2013 \$	New Loans \$	Principal Repayments		Principal 30 June 2014		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance								
Administration Building Land	372,044	0	44,202	44,202	327,842	327,842	21,907	23,203
Administration Building Bridging Loan	1,500,000	0	0	0	1,500,000	1,500,000	50,400	50,124
Administration Building Loan	2,396,182	0	213,621	213,621	2,182,561	2,182,562	90,368	93,916
Education and Welfare								
Kununurra Childcare Centre	405,691	0	52,445	52,445	353,246	353,245	23,374	20,989
Housing								
Staff Housing	75,920	0	11,994	11,994	63,926	63,926	4,232	4,599
Staff Housing	0	88,498	0	0	88,498	88,498	414	0
Community Amenities								
Liquid Waste Facility	0	400,000	0	0	400,000	400,000	1,714	0
Waste Management	0	1,695,000	0	0	1,695,000	1,695,000	8,993	0
Drainage	0	125,000	0	0	125,000	125,000	663	0
Recreation and Culture								
KNX Aquatic Centre Refurbishment	424,204	0	67,017	67,017	357,187	357,188	23,646	25,695
WYN Recreation Centre	177,939	0	28,111	28,111	149,828	149,827	9,919	10,778
KNW Youth Centre	147,185	0	25,371	25,371	121,814	121,814	10,116	10,121
Multi Purpose Courts	246,633	0	35,636	35,636	210,997	210,996	13,259	14,245
	5,745,798	2,308,498	478,397	478,397	7,575,899	7,575,898	259,005	253,670

All loan repayments were financed by general purpose revenue.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2013/14

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Liquid Waste Facility	400,000	400,000	WATC	Debenture	4	31,202	3.4	164,944	400,000	235,056
Waste Management	1,695,000	1,695,000	WATC	Debenture	10	399,280	4.2	418,480	1,695,000	1,276,520
Drainage	125,000	125,000	WATC	Debenture	10	29,445	4.2	69,611	125,000	55,389
Staff Housing	88,498	88,498	WATC	Debenture	6	11,030	3.7	88,498	88,498	0
	2,308,498	2,308,498				470,957		741,533	2,308,498	1,566,965

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1 July 13 \$	Borrowed During Year \$	Expended During Year \$	Balance 30 June 14 \$
Waste Management	16-May-14	0	1,695,000	418,480	1,276,520
Drainage	16-May-14	0	125,000	69,611	55,389
Administration Building Loan	07-Dec-12	221,657	0	221,657	0
		221,657	2,220,000	874,692	1,566,965

(d) Overdraft

The Shire did not have a bank overdraft facility as at 30 June 2014.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

22. RATING INFORMATION - 2013/14 FINANCIAL YEAR

(a) Rates	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 \$	
RATE TYPE												
Differential General Rate / General Rate												
GRV - Townsite	8.3607	1,701	60,363,774	5,046,833	49,217	20,945	5,116,995	5,046,833	15,000	0	5,061,833	
GRV - Other	6.3607	1	101,764	6,807	0	0	6,807	6,807	0	0	6,807	
Unimproved Value Valuations												
UV - Rural Residential	0.8425	172	47,659,000	401,528	4,969	(729)	405,768	401,527	0	0	401,527	
UV - Rural Agriculture 1	0.8375	84	69,236,200	577,014	8,180	7,251	592,445	579,937	0	0	579,937	
UV - Rural Agriculture 2	0.5666	111	56,325,000	316,299	9,957	131	326,387	319,137	0	0	319,137	
UV - Other	0.5666	23	14,723,000	89,182	1,589	8,223	98,994	83,421	10,000	0	93,421	
UV - Pastoral	2.7803	22	9,022,039	250,840	0	0	250,840	250,840	0	0	250,840	
UV - Mining	23.2100	71	1,971,464	457,576	(4,852)	(2,324)	450,400	457,577	0	0	457,577	
Sub-Totals		2,185	259,402,241	7,146,079	69,060	33,497	7,248,636	7,146,079	25,000	0	7,171,079	
	Minimum \$											
Minimum Payment												
GRV - Townsite	975.00	347	2,641,700	338,325	0	0	338,325	338,325	0	0	338,325	
Unimproved Value Valuations												
UV - Rural Residential	975.00	0	0	0	0	0	0	0	0	0	0	
UV - Rural Agriculture 1	975.00	1	10,000	975	0	0	975	975	0	0	975	
UV - Rural Agriculture 2	975.00	0	0	0	0	0	0	0	0	0	0	
UV - Other	975.00	9	679,400	8,775	0	0	8,775	8,775	0	0	8,775	
UV - Pastoral	975.00	2	68,361	1,950	0	0	1,950	2,925	0	0	2,925	
UV - Mining	925.00	70	103,858	64,750	0	0	64,750	64,750	0	0	64,750	
Sub-Totals		429	3,503,319	414,775	0	0	414,775	414,775	0	0	414,775	
Ex-Gratia Rates							7,663,411				7,663,411	
Discounts (refer note 25.)							4,388				4,000	
Total Amount Raised From General Rate							(71,465)				(100,000)	
Excess Rate Adjustment							7,596,334				7,489,854	
Specified Area Rate (refer note 23.)							0				(58,732)	
Totals							7,596,334				7,431,122	

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

22. RATING INFORMATION - 2013/14 FINANCIAL YEAR (Continued)

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

	2014 (30 June 2014 Carried Forward) \$	2014 (1 July 2013 Brought Forward) \$	2013 (30 June 2013 Carried Forward) \$
Surplus/(Deficit) 1 July 13 Brought Forward	<u>(1,397,052)</u>	<u>5,702,346</u>	<u>5,702,346</u>
Comprises:			
Cash and Cash Equivalents			
Cash on Hand - Unrestricted	1,700	1,300	1,300
Cash at Bank- Municipal	650,655	5,260,853	5,260,853
Restricted Reserves	8,263,354	7,288,403	7,288,403
Receivables			
Rates Outstanding	306,016	521,454	521,454
Sundry Debtors	856,180	759,681	759,681
GST Receivable	253,969	127,476	127,476
Bonds Paid for Staff Housing	17,860	17,860	17,860
Accrued Income	293,650	351,354	351,354
Inventories			
Fuel and Materials	10,355	10,606	10,606
Other Financial Assets	6,682	6,682	6,682
Less:			
Trade and other Payables			
Sundry Creditors	(3,604,894)	(1,019,977)	(1,019,977)
Accrued Interest on Debentures	(41,523)	(34,101)	(34,101)
Accrued Salaries and Wages	(142,786)	(138,644)	(138,644)
ATO Liabilities	0	(154,257)	(154,257)
Accrued Expenses	(4,916)	(7,941)	(7,941)
Current Portion of Long Term Borrowings			
Secured by Floating Charge Debentures	(2,261,457)	(478,397)	(478,397)
Provisions			
Provision for Annual Leave	(644,366)	(708,228)	(708,228)
Provision for Long Service Leave	(402,943)	(352,415)	(352,415)
Net Current Assets	<u>3,557,536</u>	<u>11,451,709</u>	<u>11,451,709</u>
Less:			
Reserves - Restricted Cash	(8,263,354)	(7,288,403)	(7,288,403)
Add:			
Secured by Floating Charge Debentures	2,261,457	478,397	478,397
Component of Employee Liability not required to be funded	1,047,309	1,060,643	1,060,643
Surplus/(Deficit)	<u>(1,397,052)</u>	<u>5,702,346</u>	<u>5,702,346</u>

Difference

There was no difference between the Surplus 1 July 2013 Brought Forward position used in the 2014 audited financial report and the Surplus Carried Forward position as disclosed in the 2013 audited financial report.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

23. SPECIFIED AREA RATE - 2013/14 FINANCIAL YEAR

The Shire of Wyndham East Kimberley did not impose any Specified Area Rates for the 2013/14 financial year.

24. SERVICE CHARGES - 2013/14 FINANCIAL YEAR

The Shire of Wyndham East Kimberley did not impose a service charge on any of the prescribed services listed under the *Local Government (Financial Management) Regulations 1996*, regulation 54 for the 2013/14 financial year.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2013/14 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	2.50%	71,465	100,000
			71,465	100,000
Rate Assessment A502	Waiver	N/A	975	975
Rate Assessment	Write-Off	N/A	213,808	0

A discount on rates was granted to all who paid their rates in full within 21 days of the date of service appearing on the rate notice.

26. INTEREST CHARGES AND INSTALMENTS - 2013/14 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	0	74,522	90,000
Interest on Instalments Plan	5.50%	0	26,400	27,500
Charges on Instalment Plan	N/A	5	6,730	7,000
Pensioner Deferred Rate Interest	3.95%	0	313	0
			107,965	124,500

Ratepayers had the option of paying rates in four equal instalments, due on 17th September 2013, 19th November 2013, 21st January 2014 and 25th March 2014. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2014 \$	2013 \$
Governance	24,201	1,761
General Purpose Funding	11,741	16,698
Law, Order, Public Safety	41,203	18,706
Health	80,501	23,540
Education and Welfare	106,371	127,094
Housing	222,321	190,244
Community Amenities	2,292,432	1,866,364
Recreation and Culture	456,000	466,617
Transport	3,914,111	3,990,147
Economic Services	96,353	149,056
Other Property and Services	0	0
	<u>7,245,234</u>	<u>6,850,227</u>

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

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

28. GRANT REVENUE

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

	2014	2013
By Nature or Type:	\$	\$
Operating Grants, Subsidies and Contributions	2,210,613	6,212,650
Non-Operating Grants, Subsidies and Contributions	<u>2,519,767</u>	<u>3,190,645</u>
	<u><u>4,730,380</u></u>	<u><u>9,403,295</u></u>
By Program:		
Governance	21,793	151,885
General Purpose Funding	1,492,773	3,758,417
Law, Order, Public Safety	8,947	27,332
Education and Welfare	53,110	72,377
Housing	947,765	947,764
Community Amenities	139,981	617,068
Recreation and Culture	292,622	803,222
Transport	1,663,878	2,865,984
Other Property and Services	<u>109,511</u>	<u>159,246</u>
	<u><u>4,730,380</u></u>	<u><u>9,403,295</u></u>

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>87</u>	<u>98</u>
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30. ELECTED MEMBERS REMUNERATION

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

	2014	2014	2013
	\$	Budget	\$
		\$	
Meeting Fees	127,406	130,500	57,928
President's Allowance	23,702	22,795	19,480
Deputy President's Allowance	4,303	5,699	4,870
Travelling Expenses	1,605	5,000	5,610
Technology Allowance	0	0	7,833
Telecommunications Allowance	<u>0</u>	<u>0</u>	<u>18,200</u>
	<u><u>157,016</u></u>	<u><u>163,994</u></u>	<u><u>113,921</u></u>

31. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2013/14.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2013/14 financial year.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

33. POST BALANCE SHEET EVENT

Shire Depot – Wyndham

On Sunday 14th September 2014, the Shire depot located at Lot 914 & 1359 Coverley Street, Wyndham suffered extensive damage due to fire. The fire started at approximately 11.30am within the back of the old greenhouse shed and spread through the greenhouse, storage shed and then the depot office. After the fire, it was discovered a trailer, lawn mower and a ute, which was garaged in the storage shed, were also fully destroyed. The cause was determined to be that several youths had climbed the fence and started a fire in the old greenhouse shed and the grass area. Damage was significant with the building and vehicles, in the main, gutted leaving the structure shells and walls.

The building and contents are insured for replacement through the Shire's insurer, Local Government Insurance Service (LGIS). The Shire's insurance also covers professional (architectural/engineers/consultants) fees associated with the reconstruction of the building together with business interruption cover. It is anticipated reconstruction of the building will be covered, based on returning the building to its pre-fire condition, through insurance and as such, will have limited impact on the Shire's financial position. A firmer understanding of the cost and relative cover will be understood once reinstatement costs have been determined through the rebuild process.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

34. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2014	2013	2014	2013
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	8,915,709	12,550,556	8,915,709	12,550,556
Receivables	1,742,224	1,788,145	1,742,224	1,788,145
Other Financial Assets	6,682	6,682	6,682	6,682
	<u>10,664,615</u>	<u>14,345,383</u>	<u>10,664,615</u>	<u>14,345,383</u>
Financial Liabilities				
Payables	3,794,119	1,354,920	3,794,119	1,354,920
Borrowings	7,575,899	5,745,798	5,796,126	4,150,265
	<u>11,370,018</u>	<u>7,100,718</u>	<u>9,590,245</u>	<u>5,505,185</u>

Fair value is determined as follows:

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

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio 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.

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

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

Council manages these risks by diversifying its portfolio and only investing in registered commercial banks. Council also seeks advice from independent advisers (where applicable) before placing any cash.

	2014	2013
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	89,157	125,506
- Statement of Comprehensive Income	89,157	125,506

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

34. FINANCIAL RISK MANAGEMENT (Continued)
(b) Receivables

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

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

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

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

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

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

	2014	2013
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	70.00%	73.91%
- Overdue	30.00%	26.09%

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

34. FINANCIAL RISK MANAGEMENT (Continued)

**(c) Payables
Borrowings**

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

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

	<u>2014</u>	<u>2013</u>			
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	3,794,119	0	0	3,794,119	3,794,119
Borrowings	2,550,938	3,889,235	2,306,171	8,746,344	7,575,899
	<u>6,345,057</u>	<u>3,889,235</u>	<u>2,306,171</u>	<u>12,540,463</u>	<u>11,370,018</u>
Payables	1,354,920	0	0	1,354,920	1,354,920
Borrowings	726,127	4,233,358	1,733,531	6,693,016	5,745,798
	<u>2,081,047</u>	<u>4,233,358</u>	<u>1,733,531</u>	<u>8,047,936</u>	<u>7,100,718</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

34. 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 %
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Year Ended 30 June 2014

Borrowings

Fixed Rate Debentures	1,500,000	0	0	400,000	903,751	4,772,148	7,575,899	4.56%
Weighted Average Effective Interest Rate	3.26%	0.00%	0.00%	3.40%	6.16%	4.29%		

Year Ended 30 June 2013

Borrowings

Fixed Rate Debentures	0	1,500,000	0	0	0	4,245,798	5,745,798	4.42%
Weighted Average Effective Interest Rate	0.00%	3.26%	0.00%	0.00%	0.00%	4.83%		

**SHIRE OF WYNDHAM EAST KIMBERLEY
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2014**

RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report

	2014	2013	2012
Asset Consumption Ratio	0.44	0.50	0.55
Asset Renewal Funding Ratio	*	*	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio $\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$

Asset Renewal Funding Ratio $\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

N/A - In keeping with amendments to Local Government (Financial Management) Regulations 50, comparative for 2012 has not been reported as financial information is not available.

*Council is unable to calculate the Asset Renewal Funding Ratio at this time as the information is not available.

**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 2014, 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 2014 and of its performance and its cash flows for the year ended on that date; and
- b. complying with Australian Accounting Standards (including Australian Accounting interpretations).

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF WYNDHAM - EAST KIMBERLEY (CONTINUED)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) There are no matter that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) We noted 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) In relation to the Supplementary Ratio Information presented at page 62 of this report, we have reviewed the calculation of the Asset Consumption Ratio as presented and nothing has come to our attention to suggest they are not:
 - i) reasonably calculated; and
 - ii) based on verifiable information.

The Asset Renewal Funding Ratio was not calculated and no review was carried out.

- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON
CHARTERED ACCOUNTANTS



DAVID TOMASI
PARTNER

Date: 2 February 2015
Perth, WA