



SHIRE of WYNDHAM | EAST KIMBERLEY

ANNUAL REPORT

2014 | 2015

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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 at the end of each month and are open to the public. Public notices are distributed to inform the people of our community of the location and date for Council Meetings.

Shire Statistics

Distance from Perth: 3,215 (km)
Area: 121,189 (square km)
Length of sealed roads: 249 (km)
Length of unsealed roads: 1086 (km)
Population: 6,952 (Australian Bureau of Statistics 2011 Census)
Number of Electors: 3,614 (2015 Electoral Roll)
Total number of Full Time Employees (FTE's): 88 - 94

Suburbs and Localities

Wyndham, Kununurra (including Hidden Valley, Lakeside, Weaber Plain Road, Packsaddle Road, River Farm Road, Valentine Falls, Ord Irrigation Area 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, and Wyndham Port facilities.

Tourist Attractions

Carboyd Ranges, Celebrity Tree Park, Cockburn Ranges, Drysdale River National Park, Emma Gorge, Five Rivers Lookout (the Bastion), Gibb River Road, The Grotto, Ivanhoe Crossing, Kelly's Knob, Kununurra Diversion Dam/Lake Kununurra, Lake Argyle, Lily

Lagoons, Mirima National Park, Mitchell Plateau, Ord River Irrigation Area, Ord River, Parry's Lagoon Nature Reserve, Pentecost River, Ragged Range, Wyndham Community Fishing Jetty, Zebedee Springs.

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.*



Council had a tough year throughout 2014 – 2015, with a deficit budget that led to a reduction in services and Shire employees. The tough decisions made by the Council at the time have put us in good stead as we look towards a balanced budget by the end of 2015-2016. I would like to thank the 2014 – 2015 Council and Shire staff for their hard work to move towards financial stability.

2015 – 2016 sees a new look Council with five new Councillors elected at the October 2015 Ordinary Election. With the new Council a focus will be placed on community engagement and listening to what the communities needs and aspirations are for their Shire. We will also be continuing projects that were established in 2014 – 2015 and look forward to the completion of the upgraded boat ramp at Lily Creek and the rebuilding of the Wyndham Depot. The Wyndham airport runway will undergo maintenance and a road reseal programme and footpath upgrade is also scheduled for Wyndham. East Kimberley Regional Airport will receive a car park upgrade and a study will be completed to assess the viability for a runway extension to open the Airport for new flight opportunities such as direct flights from the East coast. Funds will be set aside to implement the Play Space Plan and a three to four year project to improve drainage and upgrade Nutwood Crescent and Rosewood Street in Kununurra will commence. We will also be utilising funds from our Foreshore Reserve which along with funds from an external grant will see the development of a Trails Master Plan. The Trails Master Plan will set out the range of improvements required on existing trails within the Shire and identify future trails, from which residents and visitors can enjoy the Shire's renowned natural, build and cultural assets.

The new Council will work hard to ensure the budget is returned to surplus and that long term financial sustainability is achieved. Along with Shire staff we look forward to delivering efficient and effective services and sustainable asset management for our municipality over the next financial year.

Regards

A handwritten signature in black ink, appearing to read 'J. Parker'.

Cr Jane Parker, Shire President



2014-15 was a tumultuous year for many local governments in Western Australia, including the Shire of Wyndham East Kimberley which weathered a budget deficit that led to reduced services and employees. We are committed to ensuring that all that we learned during this process is integrated into our day to day business to help us provide the best service possible to our stakeholders. Strategic planning is in place to manage this ongoing and 2015-16 will see an increased focus in the area of

good governance, risk management and strategic planning.

The Shire's commitment towards working with the community was continued in 2014-15 with extensive community consultation undertaken around the potential development of an Aquatic and Leisure facility at East Lily Creek and re-development of the Kununurra Civic Centre. This consultation along with the advertising of a draft Local Planning Strategy for community input will ensure that the community has a voice in the future vision for growth and development within the Shire over the next 5 – 10 years.

2014-15 also saw the Shire hand over the management of the Wyndham Childcare Centre. Maintaining Childcare services in Wyndham was a positive outcome for the Wyndham community and the Shire as a whole.

Work of note in 2014-15 included major work on one of the East Kimberley's most important assets, the runway at the East Kimberley Regional Airport. The runway underwent maintenance to improve its structural integrity and ensure its ability to accommodate larger aircraft in the future. Kelly's Knob was reopened with an upgraded walking track for tourists and locals to enjoy.

The Ranger Services area also implemented significant changes with positive outcomes for the community. A partnership with Save Animals From Euthanasia led to 50 dogs being rehomed in 2014-15 alone.

2015-16 will once again be an exciting year for the Shire as we strive to perform strongly under difficult economic circumstances. There will be an emphasis on strong financial management and continued good governance.

I would like to thank staff for their continued commitment to providing services to the community and I would also like to thank the Councillors under the leadership of the Shire President, John Moulden for their hard work and co-operation to build the future of our Shire.

Regards

A handwritten signature in black ink, appearing to read 'Carl Askew'.

Carl Askew, Chief Executive Officer

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

5 COUNCIL

5.1 Council Meetings

Council met monthly throughout the year for Ordinary Meetings of Council and scheduled 11 Special Meetings to ensure continuity of business and governance. All Council Minutes for 2014-2015 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	11	23	100%
Cr Raymond (Spike) Dessert	12	11	23	100%
Cr Don Learbuch	12	11	23	100%
Cr Sophie Cooke	8	10	23	78%
Cr Keith Wright	12	11	23	100%
Cr Beau Robinson	12	10	23	96%
Cr Darren Spackman	12	10	23	96%
Cr Glenn Taylor	9	7	23	70%
Cr Gary King	11	9	23	87%

5.2 Council Committees

Council operated eight 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.

5.2.1 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 considered the Shire's audited Annual Financial Report to 30 June 2014 and recommended its adoption by Council prior to the Annual Meeting of Electors.

The Audit (Finance and Risk) Committee representatives were Cr John Moulden, Cr Keith Wright - Chairperson, Cr Darren Spackman, and Cr Beau Robinson

5.2.2 CEO Review and Selection Panel

The CEO is employed by the Council and the performance of the CEO is to be reviewed at least once in relation to every year of employment. Division 4 of the *Local Government Act 1995* s5.36 gives guidance to Councillors on the employment of a CEO and s5.38 indicates that an annual review must take place.

The CEO Review and Selection Panel representatives were Cr John Moulden, Cr Keith Wright and Cr Sophie Cooke.

5.2.3 Local Emergency Management Committee (LEMC)

The LEMC is established by the respective local government and operates under the provision of the *Emergency Management Act 2005* to plan on behalf of the community. This is a representative committee to provide a network of skills, knowledge and advice to assist the local government in ensuring that the local emergency management arrangements are established for its area.

The LEMC is not an operational response committee and is often confused with the functions of an Incident Management Group or at a larger emergency, the operations Area Management Group. Members of the LEMC may well be involved with the operational management of an incident as a member of the Incident Management Group or the Local Recovery Coordinating Committee due to the roles they hold in their parent agency. Local government has an important part to play in that it has a legislative responsibility to prepare, plan and have linking arrangements with the appointed agencies.

The LEMC representative was Cr Gary King.

5.2.4 Bush Fire Advisory Committee (BFAC)

The function of the Bush Fire Advisory Committee (BFAC) is to provide support and guidance to Bush Fire Brigades in the Shire. It does this in collaboration with DFES and the Department of Parks & Wildlife. The BFAC meets to discuss operational and command and control issues, advise on matters relating to prosecutions under the *Bush Fires Act 1954*, and generally ensure coordination and cooperation between the brigades, agencies and the Shire in relation to the preparation of firebreaks and other preventative measures, and in the preparedness of each organisation to deal with bush fire incidents.

The BFAC representatives were Cr Gary King and Cr Raymond (Spike) Dessert.

5.2.5 Kununurra Community Library

The Kununurra Community Library Committee provides advice on policy with respect to the running of the jointly managed Kununurra Community Library.

The Kununurra Community Library representative was Cr Keith Wright

5.2.6 Community and Civic Events

The Community and Civic Events Committee has the role of overseeing Shire community and civic events within the municipality such as Australia Day and Australian Citizenship ceremonies. There are several other significant events that occur in the such as the Ord Valley Muster, Stars on the Bastion and Anzac Day that may require council backing or may have community and civic impacts.

The Community and Civic Events representative was Cr Keith Wright

5.2.7 Disability Access and Inclusion Planning

Under the Disability Services Act 1993 the Shire must have and maintain a Disability Access and Inclusion Plan. The objective of the Committee is to oversee and advise on the implementation, review and evaluation of this plan. The committee meets annually to conduct this internal evaluation. The Plan must be formally reviewed and revised every five years with the most recent review taking place in 2014.

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

5.2.8 Lake Kununurra Foreshore Reference Committee

The Lake Kununurra Foreshore Reference Committee was endorsed at the 21 February 2012 Ordinary Council Meeting. The purpose of the committee is to implement the Lake Kununurra Foreshore and Aquatic Use Plan (adopted by Council on 16 August 2011) to ensure a coordinated approach to the management of Lake Kununurra and its foreshore.

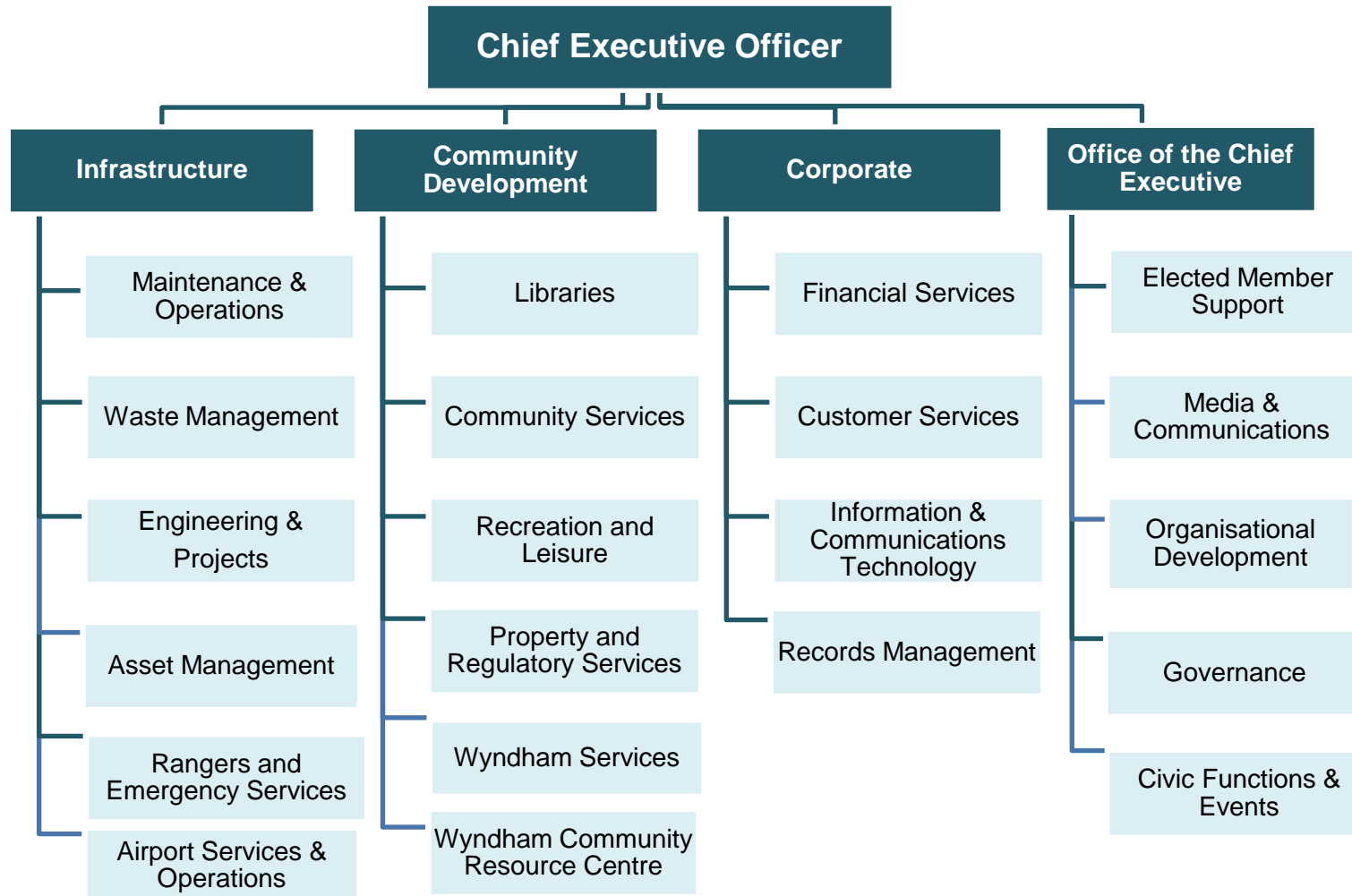
The Lake Kununurra Foreshore Reference Committee representatives were Cr John Moulden and Cr Darren Spackman.

5.2.9 Other Council Representation on Committees

Council was also represented on the following committees not administered by the Shire:

- Development Assessment Panels (DAP's) – Cr John Moulden and Cr Keith Wright
- WALGA Kimberley Zone / Regional Collaborative Group – Cr John Moulden, Cr K Wright and the Chief Executive Officer
- Kimberley Regional Road Group – Cr Raymond (Spike) Dessert
- North Kimberley Land Care District Council (LCDC) – Cr John Moulden
- SWEK RoadWise Committee – Cr Don Learbuch and Cr Glenn Taylor
- East Kimberley Visitor Centre - Cr Keith Wright
- Kununurra and Wyndham Alcohol Accord – Cr John Moulden and Cr Glenn Taylor
- Community Resource Centre – Cr Don Learbuch
- East Kimberley Marketing Group – Cr Keith Wright
- Australian Airport Association (AAA)- Chief Executive Officer
- Ord Valley Events Board – Chief Executive Officer

6 ORGANISATIONAL STRUCTURE (AS AT JUNE 2015)



6.1 Directorate Summary

As of June 2015, the Chief Executive Officer was Mr Carl Askew. The four Directorates oversee the following:

Office of the Chief Executive CEO, Mr Carl Askew	Corporate Director, Ms Natalie Octoman	Community Development Director, Ms Louise Gee	Infrastructure Director, Mr David Klye
<ul style="list-style-type: none"> ▪ Elected Member Support & Secretariat ▪ Governance Administration & Compliance ▪ Media & Corporate Communications ▪ Economic Development ▪ Integrated Planning ▪ Human Resources ▪ Occupational Health and Safety ▪ Civic Functions & Events 	<ul style="list-style-type: none"> ▪ Information & Communications Technology ▪ Finance ▪ Customer Services ▪ Records 	<ul style="list-style-type: none"> ▪ Libraries ▪ Strategic Community Planning ▪ Disability Access ▪ Youth Services ▪ 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 ▪ Wyndham Area Services ▪ Wyndham Community Resource Centre 	<ul style="list-style-type: none"> ▪ Ranger Services ▪ Emergency Services ▪ Asset Management ▪ Engineering and Project Delivery ▪ Depot Services ▪ Plant and Equipment ▪ Roads and Bridges ▪ Footpaths, Trails and Cycle ways ▪ Drainage Systems ▪ Parks, Ovals and Reserves ▪ Waste Management ▪ Airport Operations

6.2 Staff Summary

	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15
Number of Full Time Staff	81	89	107	88	75
Total Number of Staff	105	111	125	138	125
% Male Staff	54%	52%	52%	50%	49%
% Female Staff	46%	48%	48%	50%	51%
% Indigenous Staff	14%	8%	8%	11%	5%
Trainees/Student placements	4	2	2	1	1
Staff Turnover	23%	37%	32%	34%	51%*
% of Staff Engaged in Training	98%	95%	76%	73%	40%
% Staff Engaged in Professional Development	30%	30%	26%	17%	10%

*Staff turnover for 2014/15 consisted of 39% casual staff, 44% permanent staff and 17% contract staff.

The number of employees with salaries over \$100,000 for the year 2014-2015 is reflected in the below table.

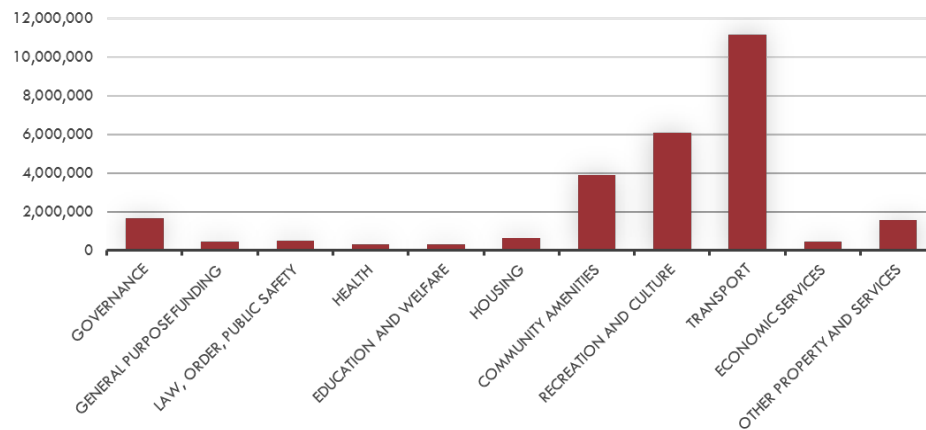
\$100,000	\$110,000	\$120,000	\$130,000	\$140,000	\$150,000	\$160,000	\$170,000	\$180,000
-	-	-	-	-	-	-	-	-
\$109,999	\$119,999	\$129,999	\$139,999	\$149,999	\$159,999	\$169,999	\$179,999	\$189,999
4	2	2	1	0	0	0	1	1

7 FINANCIAL PERFORMANCE AT A GLANCE

7.1 Operating Snapshot 2014/15

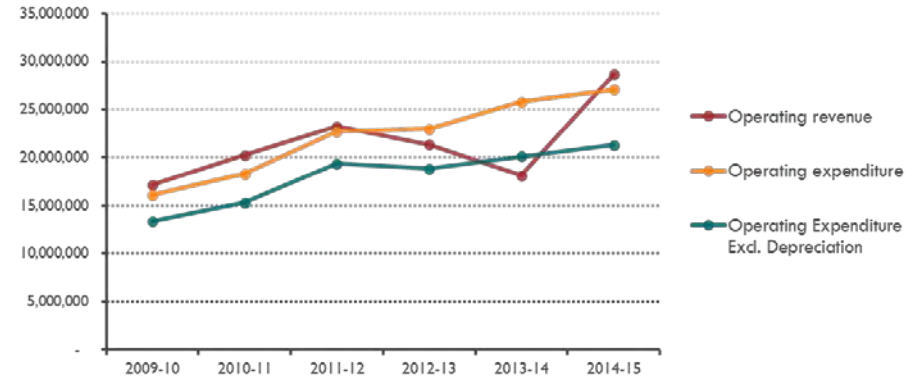
The Shire of Wyndham East Kimberley's 88 - 94 FTE's delivered services and programs to the community through 11 main program areas and a budget of approximately \$27 million during 2014-2015.

Operating Expenditure by Program



The operating position depicted shows a significant positive skew in the 2014-2015 revenue due to the FAGS (Financial Assistance Grants) prepayments being reintroduced; reimbursements for flood recovery works (WANDRRA) and Roads to Recovery related asphalt resurfacing programs received during 2014-2015 with some funds expended during 2013-2014.

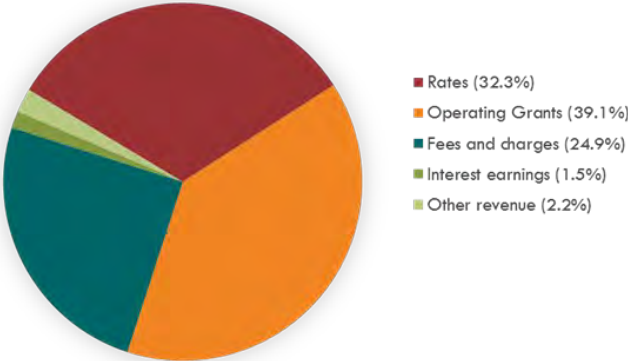
Operating Position



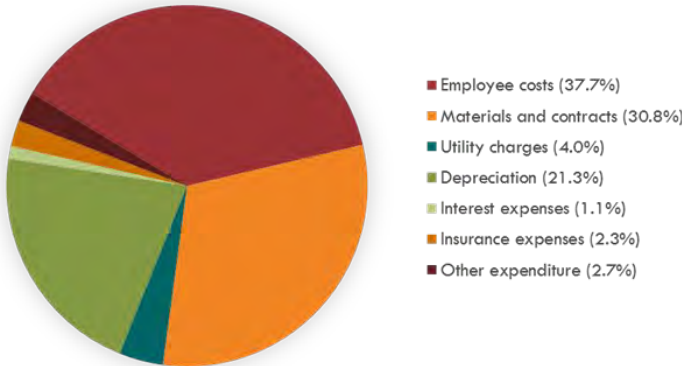
The Shire has however, been successful in slowing the rate of growth of operating expenditure given the significant decisions the Council made during the 2014-15 Budget setting process. This included the decision to lose 21.9 FTE positions across the organisation; exiting all staff housing commercial leases when possible; ceasing management of the Wyndham Child Care Centre from 31 December 2014; not continuing pre-cyclone clean-ups; not progressing with the flood damage clean-up and future cumbungi harvesting and major eradication programs for Lake Kununurra; reducing operating and maintenance costs across the Shire; reducing the hours rangers have for litter patrols, patrols for campers at night, other inspections and general ranger functions; no specific staff resource to assist with the development of sporting clubs along with reducing the amount of funds available for community contributions, grants and sponsorships.

This has enabled the existing operating deficit after depreciation to be reduced which provides the Shire with the opportunity to improve the funds available to address its asset maintenance issues in the future, and become more financially sustainable in the long term.

Operating Revenue



Operating Expenditure

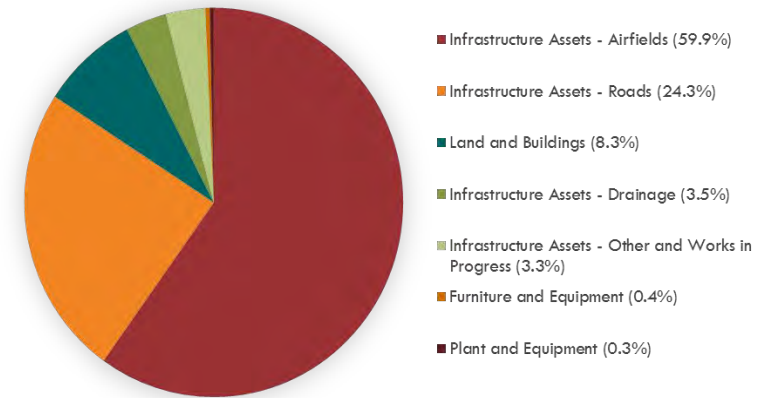


7.2 Capital Snapshot 2014/15

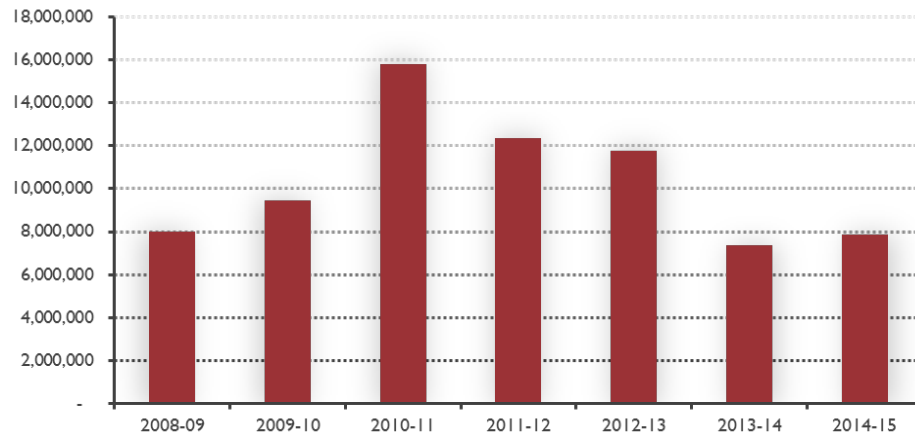
While capital expenditure has slowed significantly, it is reflective of the economic downturn, reduced funding available across the Kimberley (and the State) and also the tightening of the Shire’s available expenditure. It also signifies an higher level of importance now being placed on the maintenance of the Shire’s current assets, rather than developing new assets at this point in time.

Nearly half of the capital expenditure in 2014-15 was associated with the asphalt overlay of the East Kimberley Regional Airport runway, while the remaining was mainly attributable to completing the asphalt resurfacing program of the Kununurra townsite including Coolibah Drive and the reconstruction of Erythrina Street.

Capital Expenditure by Asset Class



Capital Expenditure



This report summarises the Shire of Wyndham East Kimberley's progress during the 2014 - 2015 financial year toward attaining the goals, strategies and outcomes set out in the Shire's Strategic Community Plan 2012-2022

8.1 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 had the opportunity to advocate issues and opportunities for the region when Kununurra was the base for a Regional Cabinet meeting of the Western Australian Government Ministry.*
- *The Shire welcomed 24 new citizens to Australia throughout the year, citizens came from South Africa, Thailand, Fiji, Britain, Taiwan, India, France, Germany, Ireland, Vietnam, New Zealand, Nepal and Zimbabwe.*
- *In conjunction with the Kununurra and Wyndham Police, the Shire developed and implemented a new initiative called ewatch to keep the community connected to the local police and Council.*

8.1.1 Media

The Shire utilised a range of media channels throughout 2014-2015 to keep the community informed of its activities, seek feedback and provide access to information.

Channels that were utilised include the Shire Facebook page which throughout 2014-2015 received 1,266 new page likes. The post that had the most engagements (a like, comment or share) was the announcement of the opening of Kelly's Knob Walking Track in February 2015.

Other media channels used to ensure strong community engagement were the Shire's official website, www.swek.wa.gov.au, which for the 2014-2015 year averaged 266 user sessions per day from a total of 53,288 users. The average session time on the website was two minutes and apart from the home page the other most popular sections on the site were employment, road conditions and documents (viewing minutes and agendas, budgets, fees and charges etc).

Throughout 2014-2015 the Shire also continued to run fortnightly paid advertorials (SWEK News) in the Kimberley Echo and paid advertisements in the Kimberley Echo and West Australian newspapers as required. For 2014-2015 some 166 pieces of information were disseminated to the community via media channels.

8.1.2 Australia Day

The Shire organised and co-ordinated a highly successful Australia Day celebration with an estimated 400 people attending either Swim Beach in Kununurra 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 Monsoon Night Belly dancers, citizenship ceremony, affirmation ceremony, flag raising ceremony, baby tree ceremony, bouncing castle and face painting for kids with tea and coffee supplied by the Country Women's Association and best dressed prizes. Community feedback was positive with many commenting that they enjoyed the morning.



Community members enjoying Australia Day celebrations at Swim Beach, Kununurra

8.1.3 Citizenship Ceremonies

During 2014 - 2015 the Shire of Wyndham East Kimberley conducted five Citizenship Ceremonies at which 24 people became Australian Citizens. The participants were from countries including South Africa, Thailand, Fiji, Britain, Taiwan, India, France, Germany, Ireland, Vietnam, New Zealand, Nepal and Zimbabwe.

The new citizens pledged their loyalty to Australia in the ceremonies conducted Cr Keith Wright or Shire President John Moulden in front of their family, friends and community members.

8.1.4 Community Engagement, Events and Activities

Ewatch

In July 2014, the Shire of Wyndham East Kimberley joined forces with the Kununurra and Wyndham Police to produce ewatch a free email-based newsletter to keep the community connected to the local police and council, and including updates on local crime trends and statistics, safety initiatives, emergency issues and community events. Community members can register to ewatch on the Shire website.

World Suicide Prevention Day

On 10 September 2014 the Shire of Wyndham East Kimberley provided support to organise the 2014 world suicide prevention day event at White Gum Park to raise awareness for suicide prevention within the community. The international theme for World Suicide Prevention Day 2014 was *Suicide Prevention: One World Connected*. This reflects the fact that connections are important at several levels if we are to combat suicide – at an individual level and cross-border level.

Banners in the Terrace Competition

The 'Banners in the Terrace Competition' is an annual exhibition of banners along St Georges and Adelaide Terraces in Perth allowing communities and regions throughout Western Australia to represent themselves to thousands of people travelling along these routes each day. The Shire have been involved in the project since 2011. This year the banner was created by St Joseph's School Kununurra upper primary students, along with a local artist, and will be displayed along the Terrace from in July and August of 2015.



Banner created by St Joseph's School Kununurra

8.1.5 Working in Partnership Group

The Shire continued to contribute to and support the East Kimberley Working in Partnership (WiP) Group. The WiP is a collective of State, Federal and Local Government agencies and not-for profit organisations that work together to identify common issues and trends and to create strategies around key outcomes to improve service delivery, service planning, and better use of resources around human services. The Working in Partnership (WiP) meetings continued to be held at the Kununurra Council Chambers. These meetings included a monthly WiP Coordination meeting, which is chaired by the Shire, along with specialised meetings that occurred every second month. The specialised meetings were:

- Strong Families
- Housing and Homelessness
- Alcohol and Other Drugs
- Suicide and Mental Health
- Education Training and Employment
- Youth

The Shire also participated in the Wyndham Interagency Network Group, which similar to WiP identifies key social issues and devises more efficient and collaborative approaches to address them and provides a networking opportunity for service providers in Wyndham.

8.1.6 Visiting Officials

In October 2014, the Shire of Wyndham East Kimberley hosted a Regional Cabinet of the Western Australian Government Ministry. The Regional Cabinet meeting was a closed event held in the Kununurra Council Chambers however there were numerous opportunities over three days for the public and businesses to meet with Ministers and the Premier the Honourable Colin Barnett. A Community Reception was hosted by the Premier of Western Australia and attended by all visiting State Cabinet Ministers. Additional one on one appointments with Ministers were available for businesses and community groups via a Meet the Minister appointment schedule. While in the region many tours and additional appointments were also taken by all Ministers to ensure they made the most out of their visit.

These events were an important opportunity for the Shire to advocate East Kimberley issues and opportunities at a regional, state or national level.



Shire President, Cr John Moulden presenting to the WA Government Ministry during Regional Cabinet in Kununurra

8.1.7 Official Conduct Record

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 2014-2015 there were no conduct complaints received that resulted in action under section 5.110(6)(b) or (c) of the *Local Government Act 1995*.

8.1.8 Integrated Planning and Reporting Framework

Strategic Community Plan

The Shire continued to deliver on the Strategic Community Plan 2012-2022.

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.

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 will be reviewed in the next financial year.

8.1.9 Council Policies and Governance

The Shire continued to review existing and develop new policies through the year. In April 2015 Council adopted a phased approach to reviewing all existing policies to be completed by December 2015 in line with the recommendations of the Department of Local Government & Communities Probity Compliance Audit Report on the Shire.

New policies that were adopted by Council in 2014-15 were:

- Celebrity Tree Park, Tree Planting, Removal & Upkeep Policy
- Sundry Debt Collection Policy
- Complaints Management Policy
- Customer Service Policy
- Designation of Senior Employees Policy
- Maintenance of Shire Assets Policy
- Private Works Policy
- Private Works & Developments on Road Verges and Council Managed Land Policy
- Credit Cards Policy
- Strategic Rating Policy
- Significant Accounting Policies
- Fees and Charges Pricing Policy
- Purchasing Policy

In January 2015 Council also adopted a new Code of Conduct for Council Members, Committee Members and Employees.

During 2014-2015 the Shire had a strong focus on governance and compliance, stemming from a Council resolution in September 2014 that requested the Department of Local Government and Communities (DLGC) conduct a probity audit on the Shire. The DLGC had already decided in August 2014 to conduct a limited Probity Compliance Audit

at the Shire to examine the Shire's tender processes and contracts as a result of various concerns being brought to its attention, including complaints from local business proprietors.

The probity compliance audit was conducted by the DLGC over the period 23 – 25 September 2014. The final report provided 21 recommendations for the Shire to action. By the end of the financial year the majority of these had been completed with the remainder scheduled for completion by December 2015.

8.1.10 Financial Governance

The Council, upon recommendation of the Audit (Finance and Risk) Committee, entered into a Master Lending Agreement with the Western Australian Treasure Corporation (WATC) to simplify future lending transactions with WATC and therefore improve the efficiency of the lending process for the Shire. This was also applied to other local governments across the State.

The Shire also undertook the inaugural review in relation to the new legislative requirements outlined in Regulation 17 of the *Local Government (Audit) Regulations 1996*. This Regulation requires the CEO, on a biennial basis, to review the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal control and legislative compliance. The final report made a range of recommendations that are to be implemented using a staged approach.

The Shire sought to engage a suitable company for the provision of audit services for the period from 1 July 2015 to 30 June 2020. During May 2015, the Council awarded this to Moore Stephens (formerly UHY Haines Norton), who will continue to provide advice to the Audit (Finance and Risk) Committee as part of their annual meeting.

The Council implemented its Strategic Rating Policy during 2014-2015 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 allowed the Shire to clearly commenced the journey to improve and subsequently maintain the Shire's long term financial viability in accordance with the Strategic Community Plan.

8.1.11 ICT (Information & Communication Technology)

During 2014-15 development was made on existing software systems whilst also conducting scoping works for significant projects to be realised during 2015-16.

To assist with the Shire's geographical remoteness and as a valuable business tool, video conferencing capabilities were installed in the Kununurra Council Chambers. This facility is now routinely used for internal staff meetings and in the area of recruitment.

A software solution was purchased in 2014-15 to provide an integrated approach to document preparation and document delivery to iPad or Android tablet devices. The software was trialled internally throughout the year for the preparation of Council Agenda's and Minute's and will be rolled out throughout 2015-16.

A feasibility study was conducted to investigate the viability of installing wireless links between Shire offices. This project is expected to be initiated in 2015-16 and would provide benefits for disaster recovery management, increased customer service capabilities, cost and time efficiencies and increased record management capabilities.

8.1.12 Records Management

The Shire continued its commitment to recordkeeping, in accordance with legislative requirements.

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.

In 2014-2015, there will be an increased focus on system improvements; particularly around recording and moving toward digitisation where possible.

8.1.13 Freedom of Information

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.

In complying with the *Freedom of Information Act 1992* a comprehensive Information Statement will be developed during 2015-2016. The Information Statement aims to improve community awareness of how information can be sought from the Shire, along with providing a clear outline of the step-by-step processes involved in processing an application, including a simple process flowchart and a revised application form. This will be a document that is reviewed and published on the website annually.

8.1.14 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 2014-2015 financial year resulted in a significant increase in the number of applications received and time allocated to the process.

The table below illustrates all the applications received by the Shire of Wyndham East Kimberley:

Access Type	2012-2013			2013-2014			2014-15		
	Personal	Non-Personal	Total	Personal	Non-Personal	Total	Personal	Non-Personal	Total
Access in full	0	0	0	0	0	0	0	3	3
Edited access	0	1	1	0	2	2	2	1	3
Access refused	0	0	0	0	0	0	1	6	7
No documents found	0	0	0	0	0	0	0	2	2
Withdrawn by applicant	0	0	0	0	0	0	0	1	1
Not finalised	0	0	0	0	0	0	0	0	0
TOTAL	0	1	1	0	2	2	3	13	16
Number of Access Applicants	0	1	1	0	2	2	1	8	9

8.1.15 Organisational Development

Throughout 2014/15, the Shire's organisational development objectives were focused on organisational training for employees, offering work experience opportunities to the community and Occupational Health and Safety.



The Shire Administration building in Kununurra

8.2 Strategic Community Plan 2012 – 2022, Goal 2

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

HIGHLIGHTS

- *The community were given the opportunity to view and provide feedback on draft structure plans for a new development at East Lily Creek and re-development of the Kununurra Civic Centre.*
- *A draft Local Planning Strategy was advertised to allow the community the opportunity to provide input into the future vision and aspirations for growth and development within the Shire for the next 5 – 10 years.*
- *The East Kimberley Regional Airports most important asset, the runway underwent maintenance, improving its structural integrity and ensuring its ability to accommodate larger aircraft.*

8.2.1 Community Grants

Community Grants were available to non for profit and local organisations for projects that benefit the local community. The two types of grants available were Annual Grants and Quick Grants.

Annual Grants

The Annual Community Grant Scheme offered not-for-profit organisations within the community the opportunity to receive financial and in-kind support for amounts over \$1,000. In 2014 – 2015, \$53,400 was allocated and is reflected in the following table:

Organisation	Project	Amount
Lake Argyle Swim Incorporated	2015 Lake Argyle Swim	\$5,000
Kimberley Action Sports Incorporated	2014 Lake Argyle Adventure Race	\$5,000
Kununurra Progress Association	Kununurra Picture Gardens Greening Development Project	\$15,000
Kununurra Netball Association	Equipment Shed	\$5,900
Ord Valley Country Womens Assoc.	2015 OV CWA Bushdance	\$2,500
Kununurra Agricultural Society	Construction of Fencing	\$5,000
Kununurra Gymnastics Club	Equipment Storage Shed	\$10,000
Kununurra Bushmen's Rodeo Association	Shade Sail for Campdraft Arena	\$5,000
Total amount		\$53,400

Quick Grants

The Quick Grant program provided financial and in-kind support to local organisations and projects which benefited the local community and provided up to \$500 per organisation per financial year. The following community groups were successful in receiving Community Quick Grants in 2014 - 2015, with a total amount of \$7,494.60 being allocated:

Organisation	Project	Amount
Kununurra Junior Football Association	Under 12's AFL	\$500.00
Save the Children	Communities for Children	\$500.00
Cancer Council WA	Kununurra Relay for Life event	\$500.00
East Kimberley Sports Association Inc.	2014 East Kimberley Sports Awards	\$500.00
KDHS Parents & Citizens	KDHS P&C School Fete	\$500.00
Tura New Music Ltd	Resonance Concert	\$500.00
Kununurra Taekwondo Inc.	Club Development Activities	\$500.00
Kununurra Community Resource Centre	3rd Annual RRR Network Satellite Sundowner	\$500.00
Crazy Crocs Playgroup	Walk over October event	\$500.00
Kununurra Baptist Fellowship	Carols by Candlelight	\$500.00
Kununurra Community Garden Inc.	Tools & Protective Equipment	\$494.60
Kununurra Neighbourhood House	2015 International Women's Day	\$500.00
St Joseph's Parents & Friends Association	St Patrick's Day Quiz night	\$500.00
Wyndham Historical Society	Display Area at Wyndham Museum	\$500.00
RSL Kununurra Sub-branch	Anzac Day Dawn Service & Town Ceremony Kununurra	\$500.00
Total amount		\$7,494.60

8.2.2 Sponsorship

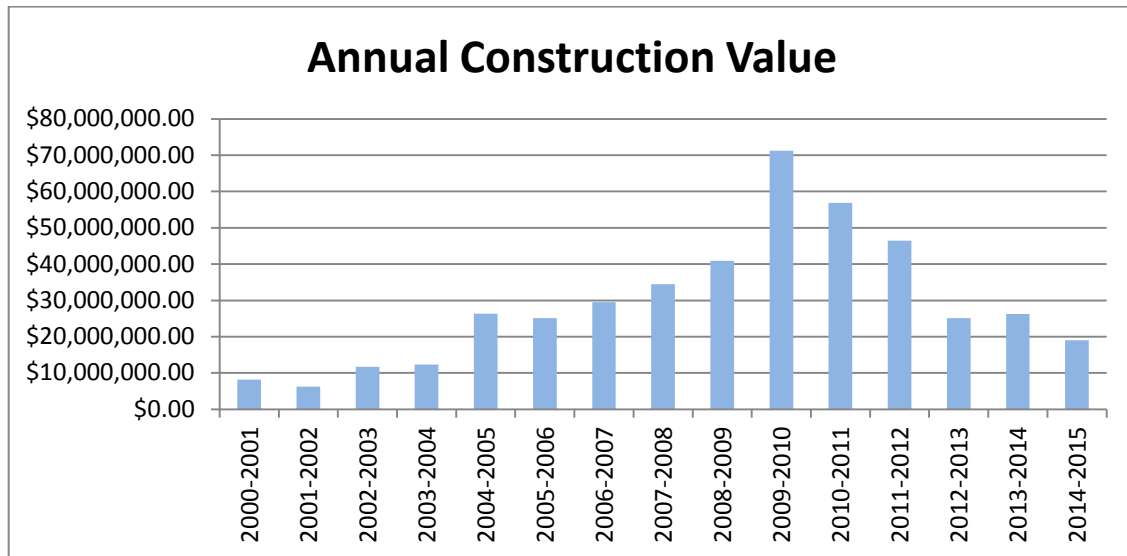
The Shire sponsored 3 key events in 2014-2015. These events create economic diversity and lead to greater long term returns for the region. The Ord Valley Muster received \$20,000 with \$5,000 going towards Stars on the Bastion and \$5,000 to the Barramundi Dreaming concert.

8.2.3 Building Services

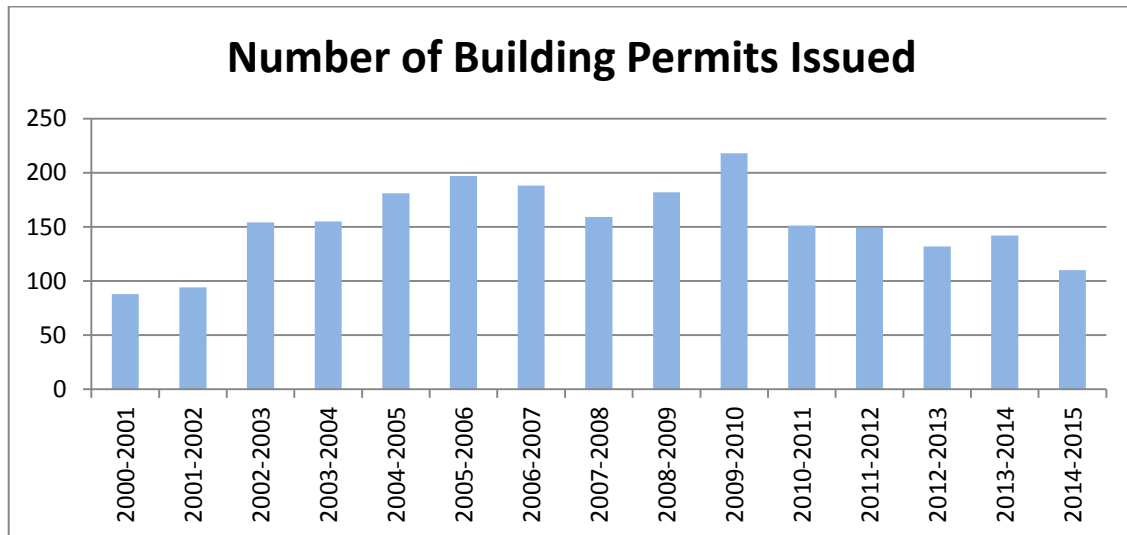
The construction value of the 110 Building Permits issued by the Shire for the 2014-2015 year was \$19,005,346.

In comparison with the figures for 2013-2014, the construction values and number of permits have decreased. This is reflected in the following figures and tables. The slight downturn within the construction industry appears consistent with the decrease in construction figures experienced by other regional local authorities. This is reflected in the following figures and tables.

Annual Construction Value



Number of Building Permits Issued

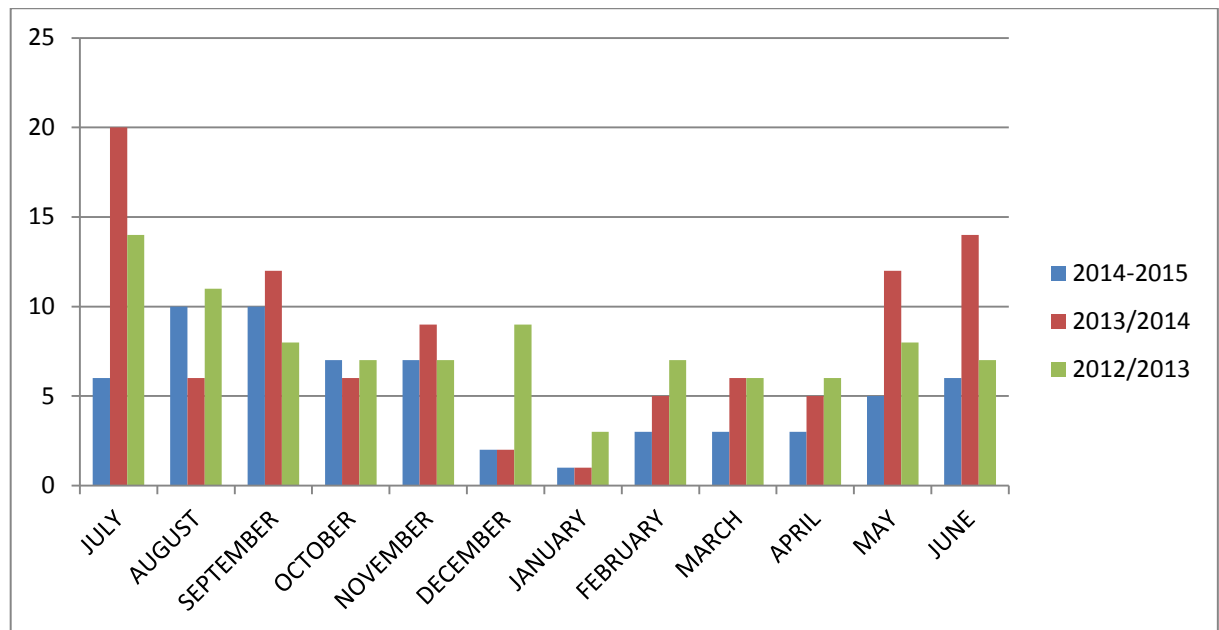


Building Permits issued by Shire of Wyndham East Kimberley statistics 2000-2001 to 2014-2015 showing new dwelling units & location:

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
2014-2015	110	\$19,005,346	31	0	0

Planning Approvals

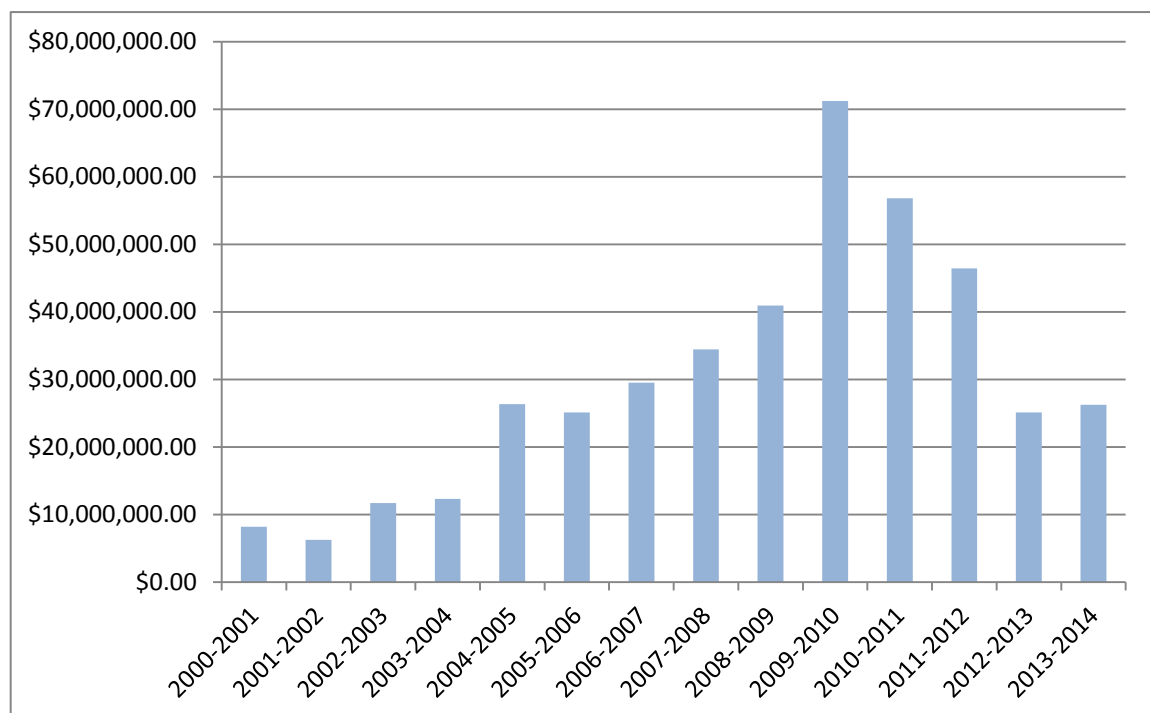
80 Development Applications were processed in 2014-2015. The decrease in applications is reflected in the decrease indicated in the construction industry's building statistics.



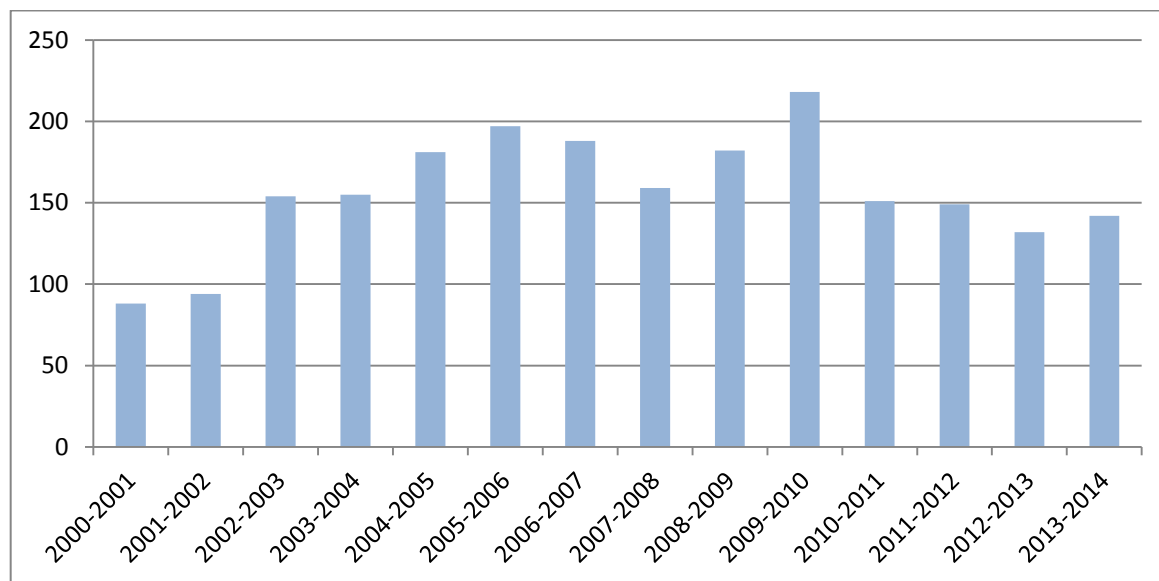
The construction value of the 142 Building Permits issued by the Shire for the 2013-2014 year was \$26,229,325.00.

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



8.2.4 Business Case and Draft Structure Plans for an Aquatic and Leisure Facility

The Aquatic and Leisure Facility Development Preliminary Business Case was prepared by GHD Pty Ltd to consider multiple sites for a new or redeveloped aquatic and leisure centre in response to the requirement to replace the Kununurra swimming pool which is failing. The draft preliminary business plan, which recommends the development of a new aquatic and leisure centre at East Lily Creek, was completed by the consultant in May 2015, and will be considered by Council for endorsement at the July 2015 Ordinary Council Meeting.

This project also included the preparation of two structure plans following on from the outcomes of the business case, to provide direction for the relocation of the Kununurra Leisure Centre to East Lily Creek and future redevelopment of the current Leisure Centre site and extended Kununurra Civic Centre precinct.

Preliminary draft structure plans for East Lily Creek and the Kununurra Civic Centre were prepared by GHD and presented to Council, stakeholders and to the community through a Community Open House held in October 2014, to obtain early community and stakeholder feedback on the preliminary plans.

The draft structure plans have been refined based on feedback from Council, Shire Officers, LandCorp and community, and the outcomes of the draft business case, and the key recommendations are:

- Provide land for residential development to accommodate the proposed increase in population (East Lily Creek)
- Provide facilities and services within the community to cater for the growing population including a potential local primary school, local shops and recreational parks (East Lily Creek)
- Designate land to accommodate the relocation of the existing Kununurra Leisure Centre (East Lily Creek)

- A progressively staged development of the precinct to consolidate town centre activities, provide for enhanced community activity and better utilise or redevelop areas of underutilised space (Kununurra Civic Precinct)
- Implementation actions to be progressed to ensure that the precinct is 'development ready' regardless of development staging, so that the Shire can be responsive to changes in growth as they occur (Kununurra Civic Precinct)

The Structure Plans are due to be advertised for formal public comment and completed in 2015 – 2016.



View of the current Kununurra Leisure Centre and surrounding town site

8.2.5 Local Planning Strategy

In February 2015, the Council endorsed the draft Shire of Wyndham East Kimberley Local Planning Strategy for advertising to ensure that the community as a whole has the opportunity to provide valued input into the future vision and aspirations for growth and development within the Shire for the next 5 – 10 years.

The draft Local Planning Strategy identifies future expansion areas for residential and industrial land whilst also protecting priority agricultural land; and the need for 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 draft Local Planning Strategy has been forwarded onto the Western Australian Planning Commission for certification, which was granted in June 2015 subject to a

number of modifications being carried out prior to advertising. The Strategy is due for advertising and completion in 2015 -2016.

8.2.6 Local Planning Scheme No. 9

The preparation of the draft Local Planning Scheme involved the review and consolidation of the Shire's two existing Town Planning Schemes, incorporating recommendations from the review of the Local Planning Strategy, and will result in an updated planning scheme that encompasses the whole Shire.

Council endorsed the draft Shire of Wyndham East Kimberley Local Planning Scheme No. 9 in February 2015 for the purpose of advertising, and in June 2015 the Minister for Planning granted consent for the draft Scheme to be advertised for public inspection subject to a number of modifications being carried out prior to advertising.

Local Planning Scheme No. 9 is due for advertising and completion in 2015-2016.

8.2.7 Public Art Project Coolibah Estate

LandCorp obtained funding under the Regional Development Assistance Program, for the provision of landscape treatments and public art within the Coolibah Estate for the purpose of providing:

- An increased sense of community for residents within the subdivision
- Continued capacity building of Indigenous Programs within Kununurra
- Strengthening the pedestrian link between the town centre and the subdivision
- Increasing architectural outcomes within the Estate.

Waringarri Aboriginal Arts were engaged to design public art concepts specific to the estate, and developed two of the concept designs, brass cast boab nuts and carved timber totem poles for installation into Boab Park and adjacent the MG Corporation building.

In February 2015 Council authorised the Shire to enter into an agreement with LandCorp for the placement, maintenance and insurance of the public art works in Coolibah Estate for a period of two years, after which time ongoing maintenance and the future of the proposed public art will be revisited. The artwork will be installed in late 2015.



Concept designs for public art at Coolibah Estate



8.2.8 Ord East Kimberley Expansion Project

The Shire was involved in several aspects of the Ord East Kimberley Expansion Project. This included the development of roads and maintenance of associated works within the road reserves such as culverts and irrigation channels.

There were four roads under Shire management within the Ord area, these include the main road 'Moonamang Rd'. All but the north east 2.2km portion of Moonamang Road are sealed. In 2014-15, formal declaration was received in relation to the creation of a road reserve over the existing track from Goomig to the Northern Territory border (distance about 5km).

A final seal is expected for the newly declared roads in August- September 2015.

8.2.9 Tourism and Economic Development

The Shire continued to support economic development for the region with once again a strong focus on tourism development. Working with the East Kimberley Marketing Group, the Group continued to deliver on the recommendations of the East Kimberley Tourism Action Plan produced by the Shire and Tourism Western Australia.

Economic Development Grants for 2014-2015 were provided to:

- Kimberley Economic Development Forum \$2,500
- East Kimberley Marketing Group \$15,000
- Kimberley Zone (Regional Development Projects) \$10,000
- Kununurra Chamber of Commerce Small Business Awards \$5,000
- East Kimberley Grammar School \$10,000

8.2.10 East Kimberley Regional Airport Runway Upgrade

In 2014 – 2015, due to the East Kimberley Regional Airport (EKRA) runway showing signs of age that was creating increased maintenance requirements as well as additional monitoring and restrictions on some aircraft movements, a detailed investigation was undertaken to assess its condition and suitability for future traffic. The results of the investigation concluded that with a suitably designed hot mix asphalt overlay treatment the runways structural integrity was sufficient to accommodate larger aircraft.

Jointly funded by the Shire and the Regional Airports Development Scheme (RADS), the runway and intersecting taxiways had a specially formulated asphalt overlay applied at nominal thickness of 60 mm. The asphalt surface was also grooved to improve traction when wet.

A mobile asphalt production plant was installed adjacent to the airport to provide fresh and compliant asphalt. All aggregate and cartage was supplied by local contractors.

The Shire developed and implemented the Method of Work Plan (MOWP) and provided Work Safety Officers throughout the works. Special procedures were developed and implemented allowing the Royal Flying Doctor Service to operate at night for emergency medical evacuations.

Laying of the asphalt was conducted at night with the runway made available for normal operations during the day. The runway and intersecting taxiways work as well as associated raising of lighting and reinstatement of the runway shoulder was completed in 20 nights.

The Shire then reinstated all runway and taxiway markings using its own line marking machine.

Finally runway grooving took place in August over 10 nights with the runway closed. Another MOWP was developed and implemented with all works overseen by Work Safety Officers.

The final product is an improved, smoother more uniform surface that complies with current aviation standards. It has also increased structural strength which will enable larger aircraft to operate all year round for years to come.

8.2.11 East Kimberley Regional Airport Other Projects and Works

Other projects and works undertaken at the East Kimberley Regional Airport during 2014/15 included:

- Refuelling and monitoring of a generator for 3 months on behalf of Airservices Australia..
- Provided Work Safety Officers and assistance with the replacement and rerouting of HV cabling airside between Airport Maintenance Depot and the VOR/DME Navaid
- Repainting of all aerodrome line markings on EKRA and Wyndham Airport runways, taxiways and aprons
- Extension of the Departure Lounge/Sterile area by utilising previously unused space
- Continued monitoring and crack patching of taxiway and apron surfaces
- Continued monitoring and treatment of soil depressions “Gilgae’s” on EKRA runway strip
- Re-leasing of hire car booths

8.2.12 East Kimberley Regional Airport Regulatory and Compliance Activities

The following airport regulatory and compliance activity was undertaken:

- March 2015 – Annual EKRA Aerodrome Technical Inspection
- March 2015 – Annual Wyndham Aerodrome Safety Inspection
- June 2015 – CASA Site Audit of the Kununurra and Wyndham Airstrip
- Meetings – Aerodrome Emergency Committee, Safety Management Committee and Aerodrome Security Committee
- Review of Kununurra Aerodrome Manual and submission to Civil Aviation Safety Authority
- Review of EKRA Transport Security Program and submission to Department of Infrastructure and Transport, Office of Transport Security
- Firearms Handling and Safety Training for Airport Reporting Officers
- Multiple system test audits conducted by Office of Transport Security in respect to security screening functions and staff competency

8.2.13 East Kimberley Regional Airport Passenger Numbers and Aircraft Landings

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

Month	2009/10	2010/11	2011/12	2012/13	2013/2014	2014/2015
July	9,094	9,254	9,973	10,113	10,232	8,593
August	8,247	9,174	9,272	9,378	8,954	7,764
September	7,872	8,384	8,258	8,738	8685	7,045
October	6,655	7,797	8,395	8,266	8,882	6,509
November	5,550	6,040	6,605	6,732	5,847	5,595
December	4,970	5,677	6,231	5,798	5,452	5,077
January	4,617	5,075	5,367	5,255	4,676	4,232
February	4,540	4,844	5,342	5,063	4,748	4,403
March	5,924	6,295	6,364	6,117	5,546	5,076
April	5,858	8,082	8,176	7,951	7,034	6,140
May	8,763	8,997	8,727	10,123	7,947	7,169
June	8,251	8,351	9,393	8,678	7,878	7,175
TOTAL	80,341	87,970	92,103	92,212	85,881	74,778

Aircraft Landings At East Kimberley Regional Airport

Month	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
July	1,738	1,780	1,843	1,384	1,302	1,084
August	1,599	1,601	1,633	972	1,077	945
September	1,244	1,221	1,108	1,041	819	750
October	946	884	616	846	664	663
November	658	717	725	688	484	479
December	490	542	616	561	426	461
January	439	517	497	517	371	432
February	557	641	545	540	501	544
March	815	1,046	696	718	441	563
April	909	1,167	960	891	683	771
May	1,339	1,606	1,097	10,59	927	922
June	1,545	1,695	1,283	1,099	940	1,111
Total	12,279	13,417	11,619	10,316	8,635	8,725

8.2.14 Asset Maintenance & Management Plan

During 2014-2015 the Shire of Wyndham East Kimberley undertook fair value on all classes of assets. This included field work using the RAMMS mobile field device (Pocket RAMMS) of which the Shire is a leader in the field, being selected as one of the first to trial the system in W.A. This ensured a fair value price was assigned to each asset.

Other activities included;

- Ongoing capturing and recording of asset information for culverts, drainage, signage, pavements, footpaths, jetties and boat ramps, kerbing, airports and buildings and other infrastructure assets using the pocket RAMMS system.
- Continued capturing and recording of asset information for our remote roads .e.g. Duncan Rd, King River Rd, Parry's Creek Rd, Kalumburu Rd, Carlton Hill Rd, Port Warrender Rd. These are some of the remotest roads in Australia and supply some unique challenges.
- Continuation of traffic counts using both the Sierzega radar system and metro-count systems on our urban and remote rural roads. Traffic counts are needed for road funding and grants, as well as a better understanding of the traffic types and volumes utilising the Shire's sealed and unsealed road network and their impact on road condition.
- Conducting required annual playground and bridge inspections.

8.2.15 Roads

Major road projects undertaken during 2014-2015 included: the widening of the intersection of Mangaloo and Coolibah Streets to improve road safety. The reconstruction of a refuge island at the entrance to the Coles shopping Centre at the intersection of Konkerberry Drive and Banksia Street. These works were undertaken to improve pedestrian safety across Konkerberry Drive near the Banksia Street intersection and vehicular turning access into the Coles shopping Centre car park.

8.2.16 Stormwater Management Strategy

Key local stakeholders meetings were convened to discuss solutions to flooding issues to minimise the risk of flooding to the Kununurra town-site and how best to protect the irrigation assets from flood damage

During 2014-2015 new drainage pipes were installed adjacent to Banksia Street to improve a drainage problem and reinforced box culverts and drop structures were installed on Carlton Hill Road to improve substandard drainage. A V drain was also installed in Messmate Way to remove a nuisance flooding problem..



Cleaning of drains to assist with stormwater management

8.2.17 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 could have resulted in flood waters inundating a significant area.

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.

The WANDRRA flood recovery works to repair the damage caused by the floods in February 2014 were completed 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.

8.2.18 Disability Access and Inclusion Plan

The Biennial review of the disability access inclusion plan was carried out in 2014 by the Disability Access and Inclusion Planning Committee. During the review process, the Plan was forwarded to the Disability Services Commission for comment who, in turn, sought feedback from a local Parent Advisory Group. The Disability Access Planning Committee offered to meet with this Parent Advisory Group however this did not eventuate, feedback from this group was provided in writing. The Plan was then advertised for public comment in the Kimberley Echo on 9 October and 23 October 2014 and on the Shire website and Facebook for a period of 28 days. Changes were primarily made on advice from the Parent Advisory Group as well as utilising the Disability Services Commission guide on the seventh outcome, "People with disability have the same opportunities as other people to obtain and maintain employment within the public sector". The Disability Access and Inclusion Plan 2013 -2017 was adopted by Council at the 16 December 2014 Ordinary Council Meeting.

8.2.19 Play Space Plan

The Draft Shire of Wyndham East Kimberley Play Space Plan was endorsed for community consultation by Council in June 2015. The Draft plan provides clear guidance for the provision and management of play spaces within the Shire. This, in turn will assist in managing community expectations about play space service provision. The Plan assists in identifying future play space projects, provides a strategic approach to future works and a strong case for any funding requests for these projects. Once the Plan and guidelines are adopted, an action plan will be developed detailing specific recommended actions regarding existing play spaces within the Shire.

8.2.20 Libraries

During the 2014-2015 year Kununurra Community & School Library loaned 47,015 items, welcomed 726 new members and entertained a combined total of 5720 pre-schoolers and babies at Story time and Rhyme time sessions.



Children's reading area at the library.

Kununurra Community & School Library celebrated Library Lover's Day on 14th February by offering patrons a 'blind date with a book' providing a chocolate with every loan.

The Kununurra Community Library also hosted the National Simultaneous Story time with Cr Don Learbuch reading 'The brother Quibble' to 386 students from Kununurra District High School and St Joseph's Primary School.

Once again the Children's Book Council WA gave the library the funds to bring an author to the East Kimberley for 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.

The Library organised, through writing WA's Regional Writing Group program, to bring David Whish-Wilson to Kununurra for a weekend workshop with the Kununurra Writer's Group. David also spent an evening in the library reading from his book and talking about his life as a writer.

A Wi-Fi service for patrons esd introduced and this combined with the public use PCs allowed 4,404 residents and visitors to access the internet.

8.2.21 Childcare

2014 - 2015 saw the Shire seek alternate options for the provision of Childcare in Wyndham due to rising costs of the Wyndham Childcare Centre. Officers worked with members of the community to identify preferred options and this resulted in the handover of the Wyndham Childcare Centre to Children's Services Support Unit in February 2015.

8.2.22 Youth Services

July 2014 saw the conclusion of the Muso Magic School Holiday program. Participants of the program learned a number of skills and personal development activities. The program received excellent feedback. The Shire also continued to support community partners in the provision of services including Wyndham Police and Partners in the running of monthly Blue Light Disco's and support to Ngnowar Aerwah Aboriginal Corporation in the provision of the Specky Dreaming program in June 2015.

8.2.23 Recreation and Leisure

Recreation and outdoor living is an important part of the community lifestyle in Kununurra and Wyndham.

Major Events and Projects for 2014-2015 included:

- Wyndham Triathlon – 55 people participated in the long course and 25 children participated in the kids short course.
- Swimming WA – BHP Swim Competition at Kununurra Leisure Centre and Wyndham Pool.
- Upgrade of the Kununurra outdoor basketball lights including rewiring and new lighting.

Annual Swim School Program

The Shire of Wyndham East Kimberley conducted the Swim for School Program at the Kununurra Leisure Centre and Wyndham Swimming Pool to enhance children's swimming and survival skills. Participants of all ages and abilities from infants to level 8 were allowed to participate and attend one lesson per week for the duration of the program. Private swimming lessons were also offered at the Kununurra Leisure Centre subject to instructor availability.

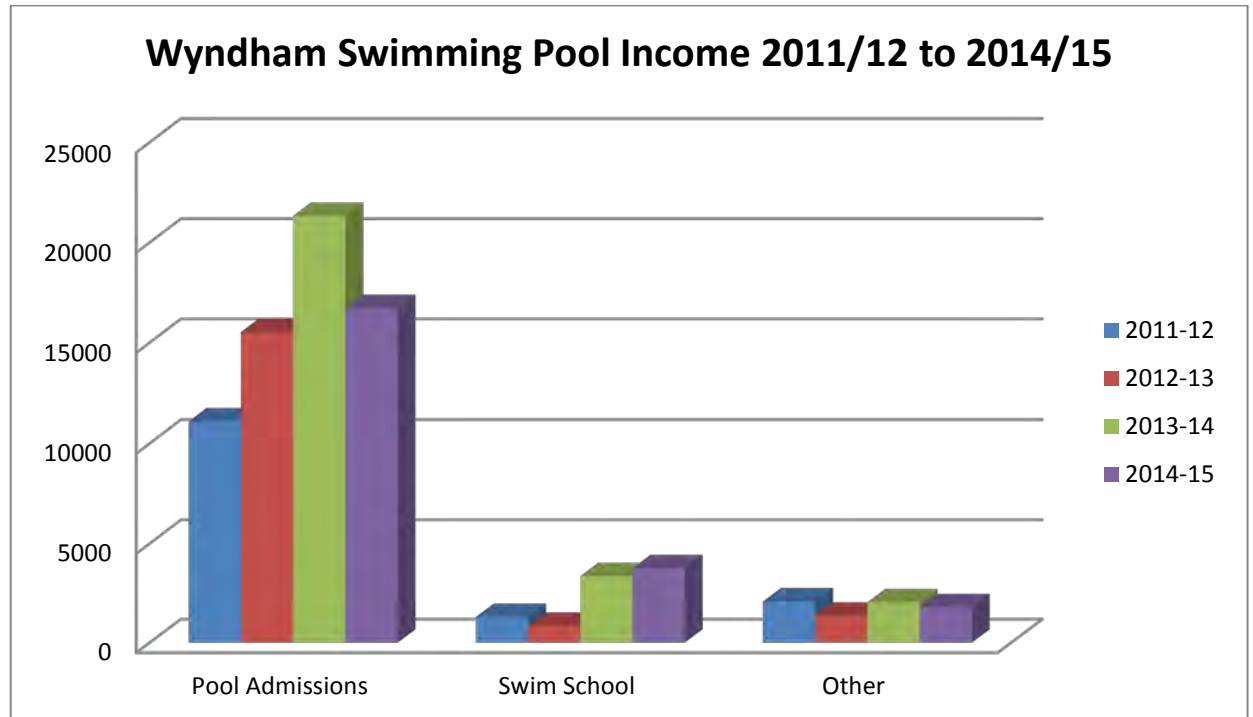
Swim for Fruit Program

Boys and Girls from 5-17 years were able to participate in a new Swim for Fruit program at the Kununurra Leisure Centre and Wyndham Swimming Pool during the school holidays.

The Shire of Wyndham East Kimberley, together with the Healthway, Royal Life Saving Society WA (RLSSWA), encouraged local children to register for the Go for 2&5 Regional & Remote Aboriginal Communities Swimming Program and to participate in the lap swimming program. The program initially started in the remote community of Jigalong and RLSSWA have built on this success and expanded to other Pilbara and Kimberley regional and remote communities.

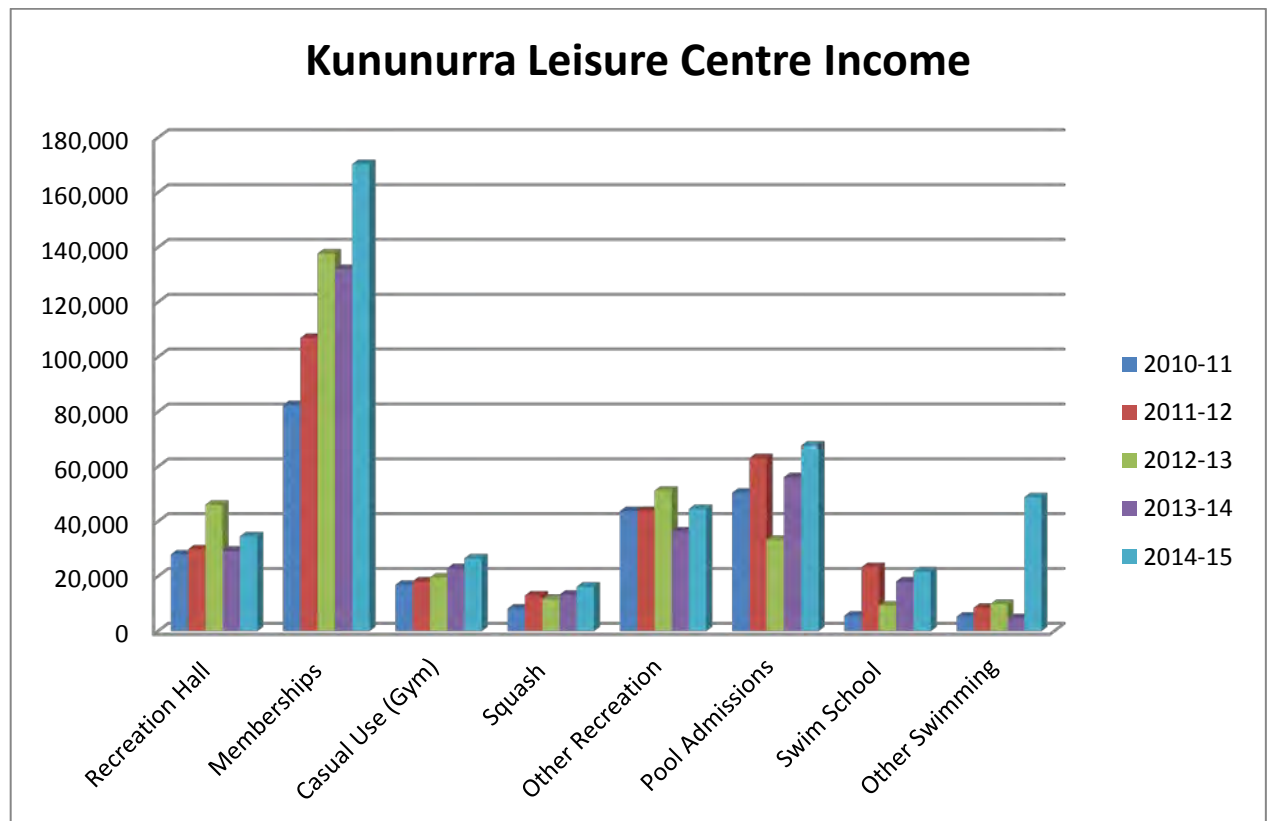
The program was an incentive based program and the local children were rewarded for their efforts. After each session the children were given a healthy afternoon tea and after a prescribed amount of laps, the children were also eligible to earn incentive prizes that included goggles. Royal Life Saving Society Swim & Survive packs, t-shirts and flippers.

Wyndham Swimming Pool



Kununurra Leisure Centre

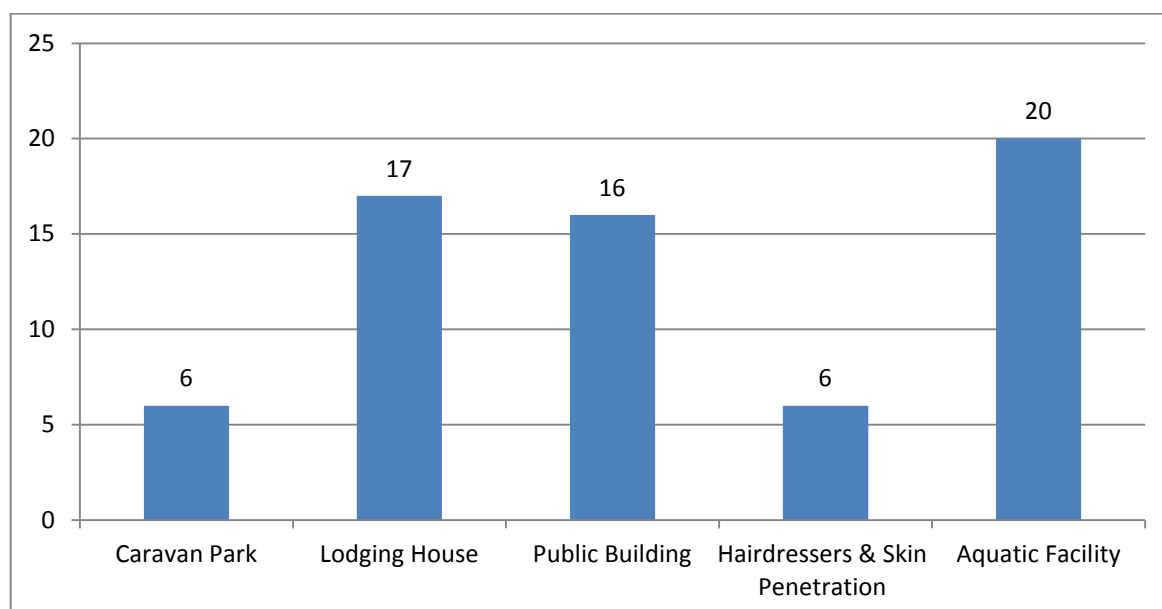
The Kununurra Leisure Centre has shown a growth in most areas. Consistency of staffing meant that the Centre was able to offer services such as gym programs and group fitness on a consistent basis.



8.2.24 Environmental Health Services

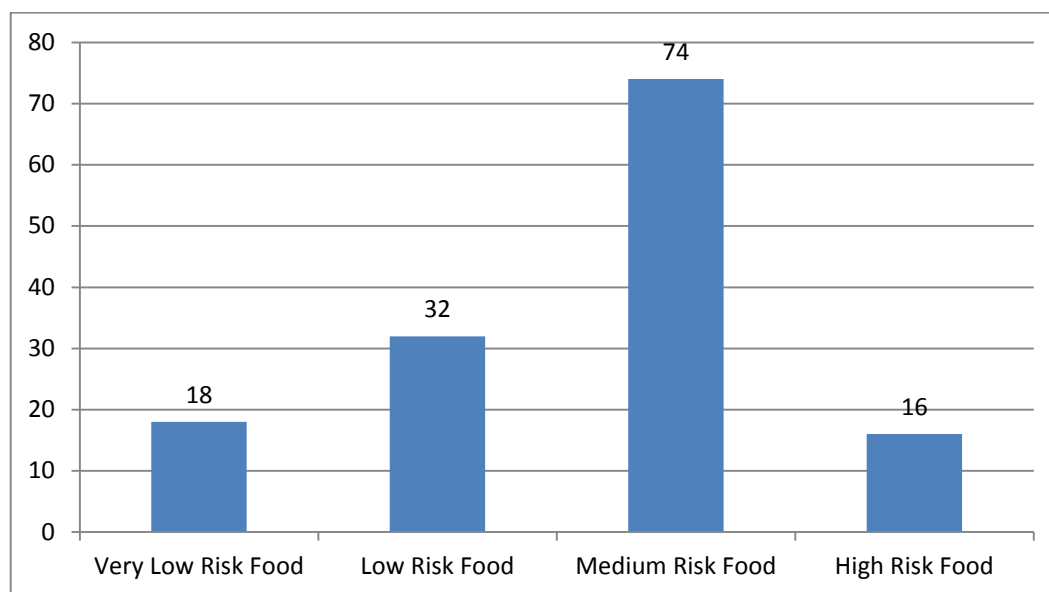
The Shire's Environmental Health Service monitors the environment, both natural and built, to prevent illness in the human population. The Environmental Health program includes routine auditing of premises and inspections captured by relevant legislation. Premises bound by the Health Act 1911 includes 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 65 annual inspections were conducted under the Health Act and Caravan and Camping Grounds Act in 2014-2015. The Shire also monitored health and safety standards at local events; 78 event applications were received and assessed for health issues in 2014-2015. For larger events, site visits were conducted before, during or after the event to ensure health and safety standards were being met.

Routine Health Assessments



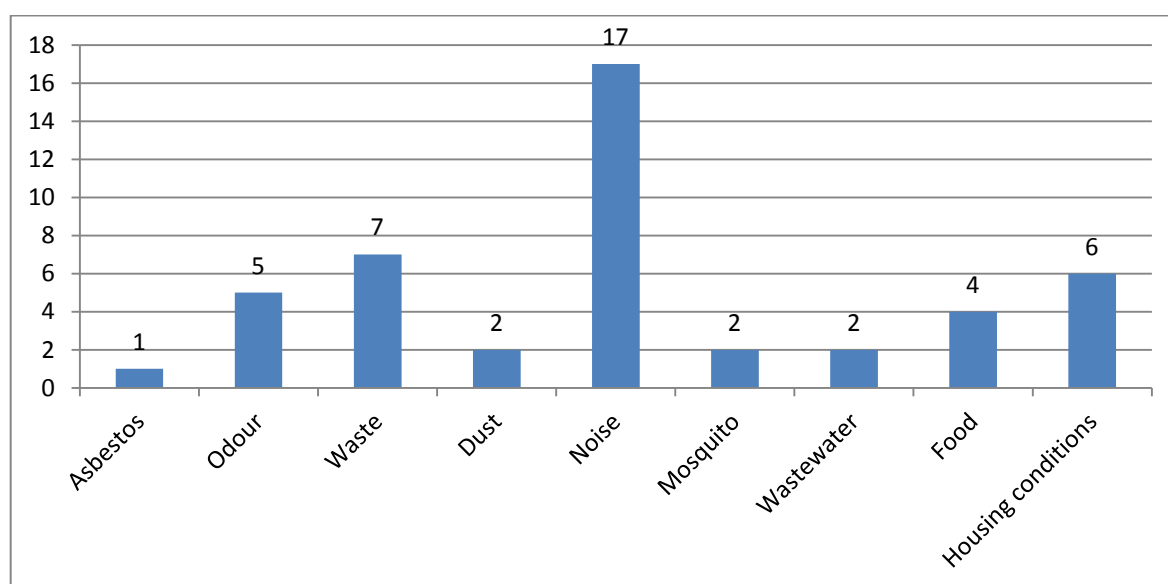
Food Safety Assessments

Food businesses are bound by the Food Act 2008 and given a risk classification which determines their inspection frequency. There are 140 registered food businesses within the Shire the majority of which are classified as medium risk. In 2014 -2015 a total of 140 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 27 food recalls affected West Australian food businesses in 2014-2015.



Health Complaints Received

A total of 46 complaints regarding health issues were investigated in 2014-2015, a large number of which were regarding noise, waste and odour.

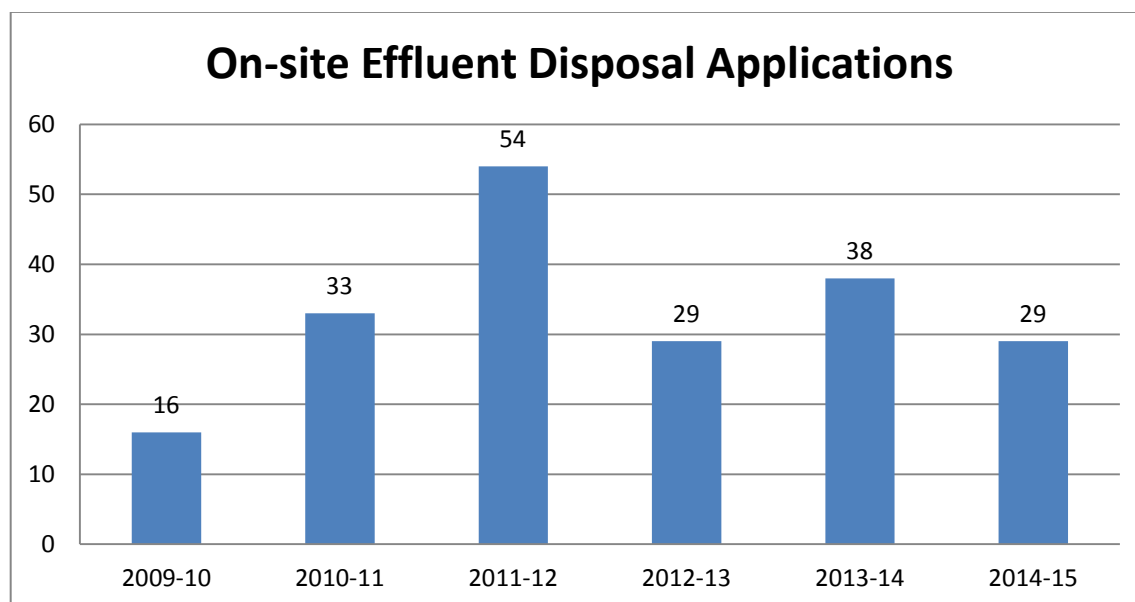


Sampling

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 monthly and 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.

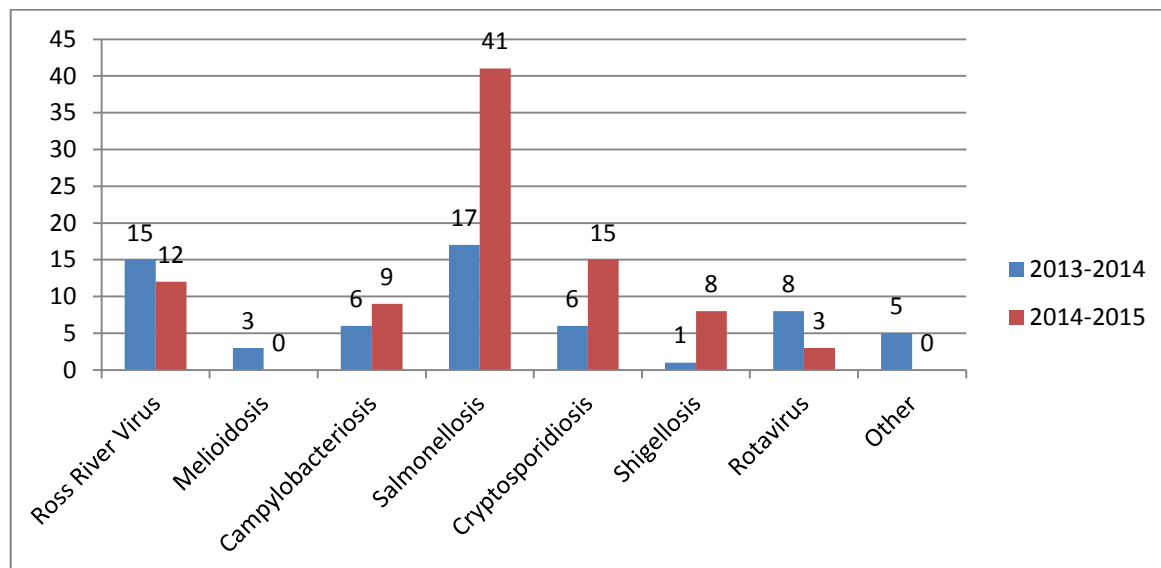
On-Site Effluent Disposal Applications

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 decrease from 2013-2014.



Infectious Disease Notifications

Infectious disease levels in the Shire were monitored and if necessary investigated to prevent further infections. The Shire experienced a higher rate of Salmonellosis compared to 2013-2014, the cause of which was unknown. The number of Ross River and Rotavirus cases have decreased compared to previous years.



Mosquito Management

The Shire conducted an online survey in May and June 2015 to give residents of Kununurra and Wyndham the opportunity to have a say on mosquitoes. The community survey was the initial stage of the Mosquito Management Plan development to assess concerns from residents and stakeholders, including the subject of adulticide and fogging. It is envisaged that this plan will be developed in time for the 2015-16 wet season. The desired result will be that fewer mosquitoes will impact the communities of Kununurra and Wyndham.

In March 2015 the Shire became a CLAG member and is now eligible to apply for funding towards mosquito management and for staff to attend any CLAG specific training opportunities. The Standard CLAG funding is available each year and this provides for 50% of chemical purchases, earthworks and some public education strategies.

A significant benefit in becoming a CLAG member is access to the Department's Mosquito Borne Disease Control Unit, and their expertise in managing mosquitoes, plus the potential for 50% cost sharing of larvicide, the chemical used to treat mosquito larvae. There are no additional costs to the Shire.

8.3 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
- A partnership between the Shire and Save Animals From Euthanasia saw in excess of 50 dogs rehomed.
- The upgraded walking track to the top of Kelly's Knob was reopened increasing its attraction for residents and visitors.

8.3.1 KidSport Program

The KidSport program is a joint project with the Department of Sport and Recreation. It enables Western Australian children to participate in community sport and recreation, no matter their financial circumstances. Eligible youth aged 5–18 years can apply for financial assistance to contribute towards club fees. The Shire of Wyndham East Kimberley was the first of the Kimberley Shires to launch KidSport in June 2012. A total of 164 applicants were successful in applying for funding in 2014 – 2015 with a total of \$16,670.00 provided to local clubs during this period.

8.3.2 Waste Management Strategy

The implementation of the Waste Management Strategy resulted in significant improvements to the Shire's waste services and infrastructure. The Strategy is key to providing sustainable, best practice waste services for the community and visitors.

Activities included the assessment of potential locations for the next Kununurra landfill, the introduction of cost effective waste diversion strategies that are in line with the State Waste Strategy and the review of long-term options for the disposal of residential waste generated in Wyndham.

8.3.3 Landfill and Waste / Litter Management

The Shire aims to minimise the environmental impacts from waste disposal and ensure compliance with regulatory requirements. Waste services are managed to ensure a financially sustainable service based on the 'producer pays' principal. Continued improvements at the Kununurra landfill included addressing outstanding legacy issues, progressively capping and rehabilitating the site and maintaining best practice operations to ensure the community has a facility to dispose of the waste generated by its residents, businesses and visitors.

The Shire continued to address litter issues by undertaking litter patrols and litter pickups via a contractor and the Shire's own workforce and by supporting the introduction of a Container Deposit System in WA.

8.3.4 Ranger Services

Ranger Services continued to deliver quality outcomes throughout the 2014-2015 financial year. Key activities included:

- Abandoned Vehicles: A large focus was placed on the identification and removal of abandoned vehicles from around the towns. This resulted in a number of cars being impounded and subsequently disposed of via tender.
- Animal Management :Animal Management continued to be a focus for the ranger team as two key projects were undertaken this year. The first centred around developing and refining the location of dog exercise areas for the Shire. The second involved a project to address the problem of stray unregistered cats and dogs across the Shire. A partnership with Save Animals From Euthanasia was developed to rehome animals that were lost, healthy and not able to be returned to their owners. To date in excess of 50 dogs have been rehomed in this process.



Cumbungi was cleared to create a new off leash dog exercise area at Swim Beach

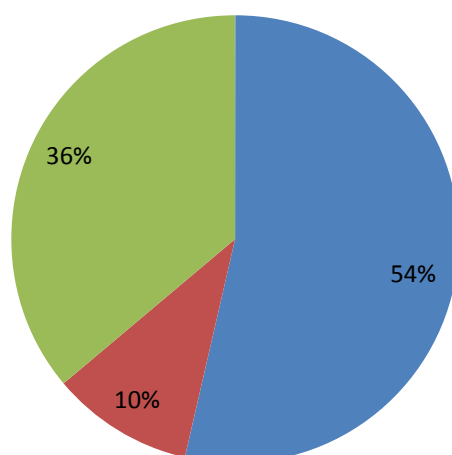
- Illegal Camping: Illegal campers were again a problem throughout the tourist season with many being asked to move on. Community intelligence was critical in the identification of key sites to patrol and enforce.
- Illegal Dumping: Rubbish management is an ongoing issue for Ranger Services, with the identification, monitoring and enforcement of domestic dumping within the Shire.
- Fire and Emergency Management: This year saw the continued trial of the management of the Bush Fire Brigades by DFES, a rejuvenated Local Emergency Management Committee and Bush Fire Advisory Committee. 2015-2016 will see revised Local Emergency Management Arrangements and a Recovery Plan be developed for the Shire.

- Road Closure Enforcement: Key partnerships were developed in relation to the enforcement of road closures.

8.3.5 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 2014-2015 were as follows:

■ Compliant ■ Non-Compliant ■ Yet to be Inspected



8.3.6 Lily Creek Boat Ramp

In 2014-2015 the funding was received to redevelop the Lily Creek Lagoon Boat Launching Facility.

A scope of works was developed that included:

- Reconstructed boat ramp
- Two finger jetties
- Additional trailer parking facilities
- Public lighting upgrades

The boat launching facility project expenditure will be undertaken in three phases:

- Phase one, Engineering design;
- Phase two, the construction of the boat ramp and two finger jetties; and
- Phase three, the construction of the additional trailer parking facilities and public lighting upgrades.

The total facility completion date is targeted by the end of 2016 financial year.

8.3.7 Kelly's Knob Walking Track

In February 2015, President John Moulden and Councillor Glenn Taylor opened the upgraded walking track to the top of Kelly's Knob. Since its opening, the walking track has proven to be a popular attraction for residents and visitors.



View from the top of Kelly's Knob

SHIRE OF WYNDHAM EAST KIMBERLEY

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2015

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Principal place of business: 20 Coolibah Drive PO Box 614 Kununurra WA 6743	

SHIRE OF WYNDHAM EAST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Rates	23	9,255,496	9,180,615	7,596,334
Operating grants, subsidies and contributions	29	11,200,814	6,849,231	2,210,613
Fees and charges	28	7,139,078	7,345,304	7,245,234
Interest earnings	2(a)	440,012	406,500	494,010
Other revenue	2(a)	619,567	495,600	567,001
		<u>28,654,967</u>	<u>24,277,250</u>	<u>18,113,192</u>
Expenses				
Employee costs		(10,219,393)	(10,472,574)	(10,480,900)
Materials and contracts		(8,342,143)	(7,837,211)	(6,892,756)
Utility charges		(1,070,483)	(1,110,460)	(1,135,506)
Depreciation on non-current assets	2(a)	(5,776,006)	(6,036,820)	(5,649,409)
Interest expenses	2(a)	(305,623)	(375,148)	(259,005)
Insurance expenses		(632,797)	(638,881)	(467,188)
Other expenditure		(735,438)	(752,583)	(2,509,461)
		<u>(27,081,883)</u>	<u>(27,223,677)</u>	<u>(27,394,225)</u>
		1,573,084	(2,946,427)	(9,281,033)
Non-operating grants, subsidies and contributions	29	8,567,574	6,491,991	2,519,767
Profit on asset disposals	21	11,860	210,891	9,365
Loss on asset disposals	21	(419,089)	0	(194,361)
		<u>9,733,429</u>	<u>3,756,455</u>	<u>(6,946,262)</u>
Net result				
Other comprehensive income				
Changes on revaluation of non-current assets	13	152,051,296	0	27,175,144
		<u>152,051,296</u>	<u>0</u>	<u>27,175,144</u>
		<u>161,784,725</u>	<u>3,756,455</u>	<u>20,228,882</u>
Total comprehensive income				

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 2015**

	NOTE	2015	2015	2014
		\$	Budget	\$
			\$	
Revenue				
Governance		1,079,450	1,086,042	130,220
General purpose funding		15,559,374	13,594,549	9,853,156
Law, order, public safety		57,402	59,350	50,150
Health		74,905	80,500	81,520
Education and welfare		82,755	77,000	159,481
Housing		192,822	230,828	222,321
Community amenities		2,443,593	2,483,863	2,442,280
Recreation and culture		853,863	724,402	636,721
Transport		8,024,625	5,750,793	4,133,362
Economic services		82,837	97,923	97,384
Other property and services		203,341	92,000	306,597
		28,654,967	24,277,250	18,113,192
Expenses				
Governance		(1,510,114)	(1,242,891)	(3,083,469)
General purpose funding		(479,648)	(559,166)	(883,014)
Law, order, public safety		(522,068)	(700,194)	(688,228)
Health		(304,018)	(324,635)	(473,040)
Education and welfare		(298,283)	(270,476)	(477,805)
Housing		(636,444)	(765,437)	(728,514)
Community amenities		(3,812,887)	(5,339,914)	(5,669,328)
Recreation and culture		(6,020,433)	(6,611,332)	(5,731,782)
Transport		(11,143,352)	(9,579,826)	(7,865,577)
Economic services		(463,318)	(517,691)	(980,447)
Other property and services		(1,585,695)	(936,967)	(554,016)
		(26,776,260)	(26,848,529)	(27,135,220)
Finance costs				
Governance		(144,470)	(197,767)	(162,674)
Education and welfare		(20,218)	(20,318)	(23,374)
Housing		(6,586)	(3,469)	(4,646)
Community amenities		(95,555)	(99,073)	(21,486)
Recreation and culture		(38,220)	(38,727)	(46,825)
Transport		(574)	(15,794)	0
	2(a)	(305,623)	(375,148)	(259,005)

SHIRE OF WYNDHAM EAST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Non-operating grants, subsidies and contributions				
Law, order, public safety		363,068	504,504	0
Housing		0	0	947,765
Recreation and culture		5,894	0	114,124
Transport		8,198,612	5,987,487	1,457,878
	29	8,567,574	6,491,991	2,519,767
Profit/(Loss) on disposal of assets				
Housing		0	199,625	9,289
Community amenities		(107,205)	0	(6,845)
Transport		0	0	(3,444)
Other property and services		(300,024)	11,266	(183,996)
	21	(407,229)	210,891	(184,996)
Net result		9,733,429	3,756,455	(6,946,262)
Other comprehensive income				
Changes on revaluation of non-current assets	13	152,051,296	0	27,175,144
Total other comprehensive income		152,051,296	0	27,175,144
Total comprehensive income		161,784,725	3,756,455	20,228,882

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 2015**

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	3	17,030,460	8,915,709
Trade and other receivables	4	3,770,714	1,727,675
Inventories	5	10,532	10,355
TOTAL CURRENT ASSETS		<u>20,811,706</u>	<u>10,653,739</u>
NON-CURRENT ASSETS			
Other receivables	4	17,329	14,549
Inventories	5	46,283	46,283
Other Financial Assets	6	6,682	6,682
Property, plant and equipment	7	65,891,984	68,656,354
Infrastructure	8	211,681,188	55,223,997
TOTAL NON-CURRENT ASSETS		<u>277,643,466</u>	<u>123,947,865</u>
TOTAL ASSETS		<u>298,455,172</u>	<u>134,601,604</u>
CURRENT LIABILITIES			
Trade and other payables	9	6,451,548	3,794,119
Current portion of long term borrowings	10	954,449	2,261,457
Provisions	11	869,775	1,047,309
TOTAL CURRENT LIABILITIES		<u>8,275,772</u>	<u>7,102,885</u>
NON-CURRENT LIABILITIES			
Long term borrowings	10	6,163,211	5,314,442
Provisions	11	190,585	143,398
TOTAL NON-CURRENT LIABILITIES		<u>6,353,796</u>	<u>5,457,840</u>
TOTAL LIABILITIES		<u>14,629,568</u>	<u>12,560,725</u>
NET ASSETS		<u>283,825,604</u>	<u>122,040,879</u>
EQUITY			
Retained surplus		89,692,115	85,864,566
Reserves - cash backed	12	14,169,234	8,263,354
Revaluation surplus	13	179,964,255	27,912,959
TOTAL EQUITY		<u>283,825,604</u>	<u>122,040,879</u>

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

**SHIRE OF WYNDHAM EAST KIMBERLEY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		93,715,426	7,288,403	808,168	101,811,997
Comprehensive income					
Net result		(6,946,262)	0	0	(6,946,262)
Transfer of prior year revaluation increment to retained earnings due to sale of plant and equipment	13(b)	70,353	0	(70,353)	0
Changes on revaluation of non-current assets	13	0	0	27,175,144	27,175,144
Total comprehensive income		<u>(6,875,909)</u>	<u>0</u>	<u>27,104,791</u>	<u>20,228,882</u>
Transfers from/(to) reserves		(974,951)	974,951	0	0
Balance as at 30 June 2014		85,864,566	8,263,354	27,912,959	122,040,879
Comprehensive income					
Net result		9,733,429	0	0	9,733,429
Changes on revaluation of non-current assets	13	0	0	152,051,296	152,051,296
Total comprehensive income		<u>9,733,429</u>	<u>0</u>	<u>152,051,296</u>	<u>161,784,725</u>
Transfers from/(to) reserves		(5,905,880)	5,905,880	0	0
Balance as at 30 June 2015		<u>89,692,115</u>	<u>14,169,234</u>	<u>179,964,255</u>	<u>283,825,604</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 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		9,258,021	9,007,142	7,807,543
Operating grants, subsidies and contributions		9,227,447	6,849,231	2,114,114
Fees and charges		7,139,078	7,500,965	7,302,938
Interest earnings		440,012	406,500	494,010
Goods and services tax		1,521,416	1,845,313	1,458,002
Other revenue		619,566	495,600	567,001
		<u>28,205,540</u>	<u>26,104,751</u>	<u>19,743,608</u>
Payments				
Employee costs		(10,176,140)	(10,418,297)	(10,601,941)
Materials and contracts		(5,870,231)	(9,778,411)	(4,310,611)
Utility charges		(1,070,483)	(1,110,460)	(1,135,506)
Interest expenses		(293,882)	(375,148)	(251,583)
Insurance expenses		(632,797)	(638,881)	(467,188)
Goods and services tax		(1,596,393)	(2,112,074)	(1,584,495)
Other expenditure		(735,438)	(751,083)	(2,509,464)
		<u>(20,375,364)</u>	<u>(25,184,354)</u>	<u>(20,860,788)</u>
Net cash provided by (used in) operating activities	14(b)	<u>7,830,176</u>	<u>920,397</u>	<u>(1,117,180)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(708,899)	(879,462)	(3,299,360)
Payments for construction of infrastructure		(7,173,065)	(4,684,822)	(4,087,512)
Non-operating grants, Subsidies and contributions		8,567,574	6,491,991	2,519,767
Proceeds from sale of fixed assets		57,204	394,000	519,337
Net cash provided by (used in) investment activities		<u>742,814</u>	<u>1,321,707</u>	<u>(4,347,768)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(2,261,457)	(2,406,937)	(478,397)
Proceeds from new debentures		1,803,218	1,803,218	2,308,498
Net cash provided by (used in) financing activities		<u>(458,239)</u>	<u>(603,719)</u>	<u>1,830,101</u>
Net increase (decrease) in cash held		8,114,751	1,638,385	(3,634,847)
Cash at beginning of year		8,915,709	8,911,716	12,550,556
Cash and cash equivalents at the end of the year	14(a)	<u><u>17,030,460</u></u>	<u><u>10,550,101</u></u>	<u><u>8,915,709</u></u>

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

SHIRE OF WYNDHAM EAST KIMBERLEY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		1,079,450	1,086,042	130,220
General purpose funding		6,303,878	4,413,934	2,256,823
Law, order, public safety		420,470	563,854	50,150
Health		74,905	80,500	81,520
Education and welfare		82,755	77,000	159,481
Housing		192,822	430,453	1,179,375
Community amenities		2,443,593	2,483,863	2,442,280
Recreation and culture		859,757	724,402	750,845
Transport		16,223,237	11,738,280	5,591,316
Economic services		82,837	97,923	97,384
Other property and services		215,201	103,266	306,597
		<u>27,978,905</u>	<u>21,799,517</u>	<u>13,045,991</u>
Expenses				
Governance		(1,654,584)	(1,440,658)	(3,246,143)
General purpose funding		(479,648)	(559,166)	(883,014)
Law, order, public safety		(522,068)	(700,194)	(688,228)
Health		(304,018)	(324,635)	(473,040)
Education and welfare		(318,501)	(290,794)	(501,179)
Housing		(643,030)	(768,906)	(733,160)
Community amenities		(4,015,647)	(5,438,987)	(5,697,659)
Recreation and culture		(6,058,653)	(6,650,059)	(5,778,607)
Transport		(11,143,926)	(9,595,620)	(7,869,097)
Economic services		(463,318)	(517,691)	(980,447)
Other property and services		(1,897,579)	(936,967)	(738,012)
		<u>(27,500,972)</u>	<u>(27,223,677)</u>	<u>(27,588,586)</u>
Net result excluding rates		477,933	(5,424,160)	(14,542,595)
Adjustments for cash budget requirements:				
Non-cash expenditure and revenue				
(Profit)/Loss on asset disposals	21	407,229	(210,891)	184,996
Movement in deferred pensioner rates (non-current)		(2,780)	0	(4,229)
Movement in employee benefit provisions (non-current)		(130,347)	5,000	29,075
Depreciation and amortisation on assets	2(a)	5,776,006	6,036,820	5,649,409
Capital Expenditure and Revenue				
Purchase of land and buildings	7(b)	(652,125)	(638,000)	(1,997,294)
Purchase furniture and equipment	7(b)	(29,517)	(116,500)	(185,222)
Purchase plant and equipment	7(b)	(27,257)	(124,962)	(952,807)
Purchase property, plant and equipment - work in progress		0	0	(164,038)
Purchase roads	8(b)	(1,912,327)	(2,393,929)	(1,912,357)
Purchase drainage	8(b)	(276,476)	(358,358)	(458,658)
Purchase airfields	8(b)	(4,720,574)	(791,979)	0
Purchase bridges		0	0	(125,999)
Purchase footpaths		0	(31,000)	0
Purchase infrastructure other	8(b)	(5,894)	(1,109,558)	(185,812)
Purchase infrastructure - work in progress	8(b)	(257,794)	0	(1,404,686)
Proceeds from disposal of fixed assets	21	57,204	394,000	519,337
Repayment of debentures	22(a)	(2,261,457)	(2,406,937)	(478,397)
Proceeds from new debentures	22(a)	1,803,218	1,803,218	2,308,498
Transfers to reserves (restricted assets)	12	(11,480,650)	(4,000,605)	(1,807,305)
Transfers from reserves (restricted assets)	12	5,574,770	1,253,687	832,354
ADD Estimated surplus/(deficit) July 1 b/fwd	23(b)	(1,397,052)	(1,423,053)	5,702,346
LESS Estimated surplus/(deficit) June 30 c/fwd	23(b)	197,606	(356,592)	(1,397,052)
Total amount raised from general rate	23(a)	<u>(9,255,496)</u>	<u>(9,180,615)</u>	<u>(7,596,332)</u>

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

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

I. 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 which have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has 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 Shire 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 20 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 2015

I. 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 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 the Council's intentions to release for sale.

(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.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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, the Shire 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 Shire 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.

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 Shire 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 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

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 Shire.

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.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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

GROUP	CLASS	NUMBER OF YEARS
Roads	Sealed Roads - Formation	Infinite – Not Depreciated
	Sealed Roads - Pavement Under Seal	70
	Sealed Roads -Wearing Course - Chip Seal	25
	Sealed Roads -Wearing Course - Asphalt	40
	Unsealed Roads - Formation	Infinite – Not Depreciated
	Unsealed Roads - Pavement	15
	Kerbs & Channel	50
	Road Furniture and Signs	10
Drainage	Underground Pipes	75
	Retarding Basins	Infinite – Not Depreciated
Airfields	Airfield - Formation	Infinite – Not Depreciated
	Airfield - Pavement under Seal	80
	Airfield - Wearing Course - Chip Seal	25
	Airfield - Wearing Course - Asphalt	40
	Airfield - Lighting	20
	Airfield - Fencing	30
Bridges	Bridges	100
	Culverts	100
Footpaths	Footpath	45
Infrastructure Other	Car Parks - Formation	Infinite – Not Depreciated
	Car Parks - Pavement Under Seal	70
	Car Parks - Wearing Course - Chip Seal	25
	Car Parks - Wearing Course - Asphalt	40
	Jetties & Pontoons	40
	Boat Ramps	50
	Reticulation Systems (Pipes, Pumps, Controllers)	20
	Playground Equipment	10
	Outdoor Furniture	20
	Sporting/Play Area - Minor Structures	10
	Sporting Facilities - Hardcourts/Skate Parks	20
	Sporting Facilities - Fencing	30
	Sporting Facilities - Lighting	20
	Sporting Facilities - Swimming Pools	50
Land and Buildings	Land	Infinite – Not Depreciated
	Landfill Refuse (Land Component Only)	30
	Brick/Concrete Buildings	40
	Transportable Buildings	10
	Steel Construction Buildings	35
	Ancillary Structures to Buildings	10

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

GROUP	CLASS	NUMBER OF YEARS
Furniture and Equipment	Computer Equipment	3
	Office Equipment/Systems	5
	Office Furniture	10
	Kitchen Equipment	5
	Fit-outs	20
Plant and Equipment	Light Plant	3
	Medium Plant	7
	Heavy Plant	10
	Minor Plant	10

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.

Capitalisation threshold

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

(g) Fair Value of Assets and Liabilities

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

Fair Value is the price that the Shire 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 or liability. 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 or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) 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).

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 Shire 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 Shire 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.

Income approach

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

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 Shire 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 are 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 Shire becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire 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.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

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.

(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 Shire 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.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (continued)

Classification and subsequent measurement (continued)

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.

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 Shire 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.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

(i) Impairment of Assets

In accordance with Australian Accounting Standards the Shire'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 Shire prior to the end of the financial year that are unpaid and arise when the Shire 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.

(k) Employee Benefits

Short-term employee benefits

Provision is made for the Shire'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 rostered days off. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and rostered days off are recognised as a part of current trade and other payables in the statement of financial position. The Shire'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.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits (Continued)

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire 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 Shire 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.

(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 Shire, 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 Shire 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 Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire'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.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates (Continued)

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

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire 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 Shire 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 I (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 Shire'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 17.

(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 Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 Shire's operational cycle. In the case of liabilities where the Shire 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 Shire'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 Shire 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 2015

I. 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 Shire.

Management's assessment of the new and amended pronouncements that are relevant to the Shire, 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 (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	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 Shire, 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)	September 2012	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 Shire (refer (i) above).
	[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]			

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.</p>
(iv) AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments	December 2013	Refer title column	<p>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.</p> <p>As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.</p>
[Operative date: Part C Financial Instruments - 1 January 2015]			

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(v) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	<p>This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i>, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p> <p>Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.</p>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(x) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities. The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

⁽¹⁾ Applicable to reporting periods commencing on or after the given date.

(x) Adoption of New and Revised Accounting Standards

During the current year, the Shire 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 2011-7
- AASB 2012-3
- AASB 2013-3
- AASB 2013-8
- AASB 2013-9 Parts A & B

Most of the Standards adopted had a minimal effect on the accounting and reporting practices of the Shire 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 2015

2. REVENUE AND EXPENSES (Continued)

	2015 Actual \$	2015 Budget \$	2014 Actual \$
(a) Net Result			
Interest earnings			
- Reserve funds	286,804	204,000	252,320
- Other funds	45,215	100,000	140,455
Other interest revenue (refer note 27)	107,993	102,500	101,235
	<u>440,012</u>	<u>406,500</u>	<u>494,010</u>
(b) Statement of Objective			

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.

Commitment

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

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

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.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

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 and waste disposal compliance.

EDUCATION AND WELFARE

Objective:

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

Activities:

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

HOUSING

Objective:

To provide and maintain staff and residential housing.

Activities:

Provision of staff and residential housing.

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objectives (Continued)

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, depot maintenance and 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 Shire's overheads operating accounts.

Activities:

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

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	Note	2015 \$	2014 \$
3. CASH AND CASH EQUIVALENTS			
Cash on Hand - Unrestricted		1,700	1,700
Cash at Bank - Municipal		2,859,526	650,655
Restricted Reserves		14,169,234	8,263,354
		<u>17,030,460</u>	<u>8,915,709</u>
Cash at Bank - Municipal			
Unrestricted Cash		2,859,526	(2,631,830)
Restricted Cash - Unspent Grants	2(c)	0	2,093,999
Restricted Cash - Unspent Loans	22(c)	0	1,188,486
		<u>2,859,526</u>	<u>650,655</u>

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

Waste Management	12	402,154	179,151
Airport General	12	4,889,302	6,373,410
Plant and Equipment	12	2,844	2,761
Parking	12	115,609	112,247
Non-Potable Water	12	91,902	89,230
Civic Buildings	12	0	7,609
East Kimberley Tourism	12	136,129	127,431
Foreshore	12	198,844	121,875
Staff Entitlement	12	112,208	223,934
Recreation Hardcourts	12	53,293	26,000
Bio Security	12	268,383	267,364
Childcare	12	147,365	132,688
Parks	12	316,712	307,502
Legal Fees	12	0	3,514
Youth Bus	12	0	19,186
Footpaths	12	277,522	269,452
Goomig Farmlands Roads Reserve	12	2,889,313	0
Unspent Grants and Loans Reserve	*	4,267,654	0
		<u>14,169,234</u>	<u>8,263,354</u>

* An Unspent Grants and Loans Reserve was created to ensure appropriate control and accounting for funds associated with grants and loans. In 2013-14 the amounts appeared in Note 3. separately. With effect from 2014-15 onwards they have been disclosed as forming part of the Reserve however, the individual amounts were contained in Note 2.(c) "Conditions Over Grants / Contributions" in the amount of \$1,389,147, Unspent Debenture funds disclosed in Note 22.(c) in the amount of \$1,035,127 and untied grants of \$1,843,380 from the Grants Commission (general purpose of \$1,398,017 and local roads of \$445,363), not required to be disclosed in Note 2(c). All three amounts totalling \$4,267,654 were held in the Unspent Grants and Loans Reserve as at 30 June 2015.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

	2015	2014
	\$	\$
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates outstanding	300,711	306,016
Sundry debtors	1,114,988	856,180
GST receivable	328,946	253,969
Accrued income	1,978,252	293,650
Bonds paid for staff housing	0	17,860
Prepayments	47,817	0
	3,770,714	1,727,675
Non-current		
Rates outstanding - pensioners	17,329	14,549
	17,329	14,549
5. INVENTORIES		
Current		
Fuel and materials	10,532	10,355
	10,532	10,355
Non-current		
Land held for resale - cost		
Cost of acquisition	0	0
Development costs	46,283	46,283
	46,283	46,283
6. OTHER FINANCIAL ASSETS		
Available for sale financial assets	6,682	6,682
	6,682	6,682

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
7 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Freehold land at:		
- Independent valuation 2013 - level 2	7,459,000	7,459,000
- Independent valuation 2013 - level 3	5,183,000	5,183,000
- Additions after valuation - cost	295,000	295,000
	12,937,000	12,937,000
Land vested in and under the control of Council at:		
- Management valuation 2013 - level 3	3,108,474	3,108,474
	3,108,474	3,108,474
	16,045,474	16,045,474
Non-specialised buildings at:		
- Independent valuation 2013 - level 2	9,345,000	9,374,999
- Independent valuation 2013 - level 3	5,048,000	5,048,001
- Additions after valuation - cost	1,290,950	1,269,711
Less: accumulated depreciation	(1,245,730)	(603,983)
	14,438,220	15,088,728
Specialised buildings at:		
- Independent valuation 2013 - level 3	27,915,140	28,220,140
- Additions after valuation - cost	1,233,668	480,720
Less: accumulated depreciation	(2,257,149)	(1,124,300)
	26,891,659	27,576,560
	41,329,879	42,665,288
Total land and buildings	57,375,353	58,710,762
Land under control - buildings at:		
- Management valuation 2013 - level 3	3,485,477	3,485,476
- Independent valuation 2013 - level 3	1,350,000	1,350,000
Less accumulated depreciation	(588,983)	(273,290)
	4,246,494	4,562,186

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
7 (a). PROPERTY, PLANT AND EQUIPMENT (Continued)		
Furniture and equipment at:		
- Management valuation 2013 - level 3	346,120	346,120
- Independent valuation 2013 - level 3	544,739	544,739
- Additions after valuation - cost	214,439	185,222
Less accumulated depreciation	(454,556)	(226,290)
	650,742	849,791
Plant and equipment at:		
- Management valuation 2013 - level 2	21,069	21,069
- Independent valuation 2013 - level 2	2,472,450	2,695,950
- Independent valuation 2013 - level 3	1,152,810	1,152,810
- Additions after valuation - cost	981,330	954,074
Less accumulated depreciation	(1,271,782)	(675,868)
	3,355,877	4,148,035
Property, plant and equipment - work in progress at:		
- Cost	263,518	221,542
- Additions after valuation - cost	0	164,038
Less accumulated depreciation	0	0
	263,518	385,580
	65,891,984	68,656,354

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as 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. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
8 (a). INFRASTRUCTURE		
Roads		
- Management valuation 2015 - level 3	133,215,378	0
- Cost	0	51,410,173
Less accumulated depreciation	0	(17,614,218)
	<u>133,215,378</u>	<u>33,795,955</u>
Drainage		
- Management valuation 2015 - level 3	9,425,880	0
- Cost	0	2,557,698
Less accumulated depreciation	0	(1,127,072)
	<u>9,425,880</u>	<u>1,430,626</u>
Airfields		
- Independent valuation 2015 - level 3	1,801,511	0
- Management valuation 2015 - level 3	17,708,760	0
- Cost	0	5,581,740
Less accumulated depreciation	0	(2,079,347)
	<u>19,510,271</u>	<u>3,502,393</u>
Bridges		
- Management valuation 2015 - level 3	28,383,530	0
- Cost	0	429,112
Less accumulated depreciation	0	(54,733)
	<u>28,383,530</u>	<u>374,379</u>
Footpaths		
- Management valuation 2015 - level 3	6,021,734	0
- Cost	0	1,984,671
Less accumulated depreciation	0	(1,076,721)
	<u>6,021,734</u>	<u>907,950</u>
Infrastructure Other		
- Independent valuation 2015 - level 3	13,993,311	0
- Management valuation 2015 - level 3	625,954	0
- Cost	0	19,206,255
Less accumulated depreciation	0	(5,609,191)
	<u>14,619,265</u>	<u>13,597,064</u>
Infrastructure - Work in Progress		
- Cost	505,130	1,615,630
Less accumulated depreciation	0	0
	<u>505,130</u>	<u>1,615,630</u>
	<u><u>211,681,188</u></u>	<u><u>55,223,997</u></u>

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

8. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Drainage	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Airfields	3	Cost approach using depreciated replacement cost	Independent valuers and Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Bridges	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Footpaths	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure Other	3	Cost approach using depreciated replacement cost	Independent valuers and Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

	2015 \$	2014 \$
9. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	3,231,143	3,604,894
Accrued interest on debentures	53,264	41,523
Accrued salaries and wages	152,298	142,786
ATO liabilities	164,088	0
Accrued expenses	2,850,755	4,916
	<u>6,451,548</u>	<u>3,794,119</u>

10. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Debentures	954,449	2,261,457
	<u>954,449</u>	<u>2,261,457</u>
Non-current		
Secured by floating charge		
Debentures	6,163,211	5,314,442
	<u>6,163,211</u>	<u>5,314,442</u>

Additional detail on borrowings is provided in Note 22.

11. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2014	644,366	402,943	1,047,309
Non-current provisions	0	143,398	143,398
	<u>644,366</u>	<u>546,341</u>	<u>1,190,707</u>
Additional provision	20,191	(150,538)	(130,347)
Balance at 30 June 2015	<u>664,557</u>	<u>395,803</u>	<u>1,060,360</u>
Comprises			
Current	664,557	205,218	869,775
Non-current	0	190,585	190,585
	<u>664,557</u>	<u>395,803</u>	<u>1,060,360</u>

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
12. RESERVES - CASH BACKED			
(a) Waste Management			
Opening balance	179,151	183,153	295,061
Amount set aside / transfer to reserve	457,526	58,714	75,067
Amount used / transfer from reserve	(234,523)	(242,023)	(190,977)
	402,154	(156)	179,151
(b) Airport General			
Opening balance	6,373,410	6,437,868	5,189,347
Amount set aside / transfer to reserve	3,383,728	652,295	1,584,890
Amount used / transfer from reserve	(4,867,836)	(618,479)	(400,827)
	4,889,302	6,471,684	6,373,410
(c) Plant and Equipment			
Opening balance	2,761	2,912	75,305
Amount set aside / transfer to reserve	83	72	2,456
Amount used / transfer from reserve	0	0	(75,000)
	2,844	2,984	2,761
(d) Parking			
Opening balance	112,247	107,691	234,084
Amount set aside / transfer to reserve	3,362	2,646	36,663
Amount used / transfer from reserve	0	0	(158,500)
	115,609	110,337	112,247
(e) Non-Potable Water			
Opening balance	89,230	89,221	89,570
Amount set aside / transfer to reserve	2,672	2,192	3,110
Amount used / transfer from reserve	0	(41,550)	(3,450)
	91,902	49,863	89,230
(f) Civic Buildings			
Opening balance	7,609	7,608	7,353
Amount set aside / transfer to reserve	228	187	256
Amount used / transfer from reserve	(7,837)	(7,794)	0
	0	0	7,609
(g) East Kimberley Tourism			
Opening balance	127,431	127,409	116,481
Amount set aside / transfer to reserve	13,816	13,630	14,550
Amount used / transfer from reserve	(5,118)	(9,368)	(3,600)
	136,129	131,671	127,431

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
12. RESERVES - CASH BACKED (CONTINUED)			
(h) Foreshore			
Opening balance	121,875	121,859	83,156
Amount set aside / transfer to reserve	81,203	73,994	38,719
Amount used / transfer from reserve	(4,234)	0	0
	<u>198,844</u>	<u>195,853</u>	<u>121,875</u>
(i) Staff Entitlement			
Opening balance	223,934	230,935	216,403
Amount set aside / transfer to reserve	6,707	5,674	7,531
Amount used / transfer from reserve	(118,433)	0	0
	<u>112,208</u>	<u>236,609</u>	<u>223,934</u>
(j) Recreation Hardcourts			
Opening balance	26,000	25,996	25,126
Amount set aside / transfer to reserve	32,095	639	874
Amount used / transfer from reserve	(4,802)	(5,000)	0
	<u>53,293</u>	<u>21,635</u>	<u>26,000</u>
(k) Bio Security			
Opening balance	267,364	267,316	258,371
Amount set aside / transfer to reserve	8,007	6,568	8,993
Amount used / transfer from reserve	(6,988)	0	0
	<u>268,383</u>	<u>273,883</u>	<u>267,364</u>
(l) Childcare			
Opening balance	132,688	132,666	118,661
Amount set aside / transfer to reserve	14,677	13,759	14,027
Amount used / transfer from reserve	0	0	0
	<u>147,365</u>	<u>146,425</u>	<u>132,688</u>
(m) Parks			
Opening balance	307,502	307,447	297,160
Amount set aside / transfer to reserve	9,210	7,554	10,342
Amount used / transfer from reserve	0	0	0
	<u>316,712</u>	<u>315,001</u>	<u>307,502</u>
(n) Legal Fees			
Opening balance	3,514	3,513	3,395
Amount set aside / transfer to reserve	105	86	119
Amount used / transfer from reserve	(3,619)	(3,599)	0
	<u>0</u>	<u>0</u>	<u>3,514</u>

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
12. RESERVES - CASH BACKED (CONTINUED)			
(o) Youth Bus			
Opening balance	19,186	19,183	18,541
Amount set aside / transfer to reserve	674	471	645
Amount used / transfer from reserve	(19,860)	(19,654)	0
	<u>0</u>	<u>0</u>	<u>19,186</u>
(p) Footpaths			
Opening balance	269,452	238,404	260,389
Amount set aside / transfer to reserve	8,070	5,857	9,063
Amount used / transfer from reserve	0	(31,000)	0
	<u>277,522</u>	<u>213,261</u>	<u>269,452</u>
(q) Asset Management			
Opening balance	0	0	0
Amount set aside / transfer to reserve	275,220	306,267	0
Amount used / transfer from reserve	(275,220)	(275,220)	0
	<u>0</u>	<u>31,047</u>	<u>0</u>
(r) Goomig Farmlands Roads Reserve			
Opening balance	0	0	0
Amount set aside / transfer to reserve	2,889,313	2,850,000	0
Amount used / transfer from reserve	0	0	0
	<u>2,889,313</u>	<u>2,850,000</u>	<u>0</u>
(s) Unspent Grants and Loans Reserve			
Opening balance	0	0	0
Amount set aside / transfer to reserve	4,293,954	0	(0)
Amount used / transfer from reserve	(26,300)	0	0
	<u>4,267,654</u>	<u>0</u>	<u>0</u>
TOTAL RESERVES	<u><u>14,169,234</u></u>	<u><u>11,050,099</u></u>	<u><u>8,263,354</u></u>
Total Opening balance	8,263,354	8,303,181	7,288,403
Total Amount set aside / transfer to reserve	11,480,650	4,000,605	1,807,305
Total Amount used / transfer from reserve	(5,574,770)	(1,253,687)	(832,354)
TOTAL RESERVES	<u><u>14,169,234</u></u>	<u><u>11,050,099</u></u>	<u><u>8,263,354</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 2015

12. 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 the land purchase 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 the East Kimberley Tourism House.

(h) Foreshore

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's entitlements.

(j) Recreation Hardcourts

This Reserve is for the purpose of providing for future capital upgrades of Recreational Hardcourts.

(k) Bio Security

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

(l) Childcare

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

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

12. RESERVES - CASH BACKED (CONTINUED)

(m) Parks

This Reserve is to hold the 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 transfer fees from the hire of Youth Buses to provide funds for repairs, maintenance and replacement of the Youth Buses.

(p) Footpaths

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

(q) Asset Management

This Reserve is to provide for the ongoing maintenance, renewal, upgrade, replacement or development of Shire owned assets within the Shire of Wyndham East Kimberley.

(r) Goomig Farmlands Roads Reserve

This Reserve is to provide for the second coat seal of roads within the Goomig Farmlands.

(s) Unspent Grants and Loans Reserve

This Reserve is to provide a mechanism for restricting prepaid grants, conditional unspent grants and loan proceeds unspent in a particular financial year where the expenditure will be undertaken in future years.

No Reserves are expected to be used within a set period other than the Goomig Farmlands Road Reserve as further transfers to the Reserve accounts are expected and funds will be utilised.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

13. REVALUATION SURPLUS

2015
\$

2014
\$

Revaluation surpluses have arisen on revaluation of the revaluation of the following classes of non-current assets:

(a) Land and buildings

Opening balance	27,175,144	0
Revaluation increment	0	27,175,144
Revaluation decrement	0	0
	27,175,144	27,175,144

(b) Plant and equipment

Opening balance	737,815	808,168
Revaluation increment	0	0
Revaluation decrement	0	(70,353)
	737,815	737,815

(c) Roads

Opening balance	0	0
Revaluation increment	98,257,582	0
Revaluation decrement	0	0
	98,257,582	0

(d) Drainage

Opening balance	0	0
Revaluation increment	7,587,111	0
Revaluation decrement	0	0
	7,587,111	0

(e) Airfields

Opening balance	0	0
Revaluation increment	11,356,642	0
Revaluation decrement	0	0
	11,356,642	0

(f) Bridges

Opening balance	0	0
Revaluation increment	28,023,440	0
Revaluation decrement	0	0
	28,023,440	0

(g) Footpaths

Opening balance	0	0
Revaluation increment	5,194,129	0
Revaluation decrement	0	0
	5,194,129	0

(h) Infrastructure Other

Opening balance	0	0
Revaluation increment	1,632,392	0
Revaluation decrement	0	0
	1,632,392	0

TOTAL ASSET REVALUATION SURPLUS

	179,964,255	27,912,959
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**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

14. 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:

	2015 \$	2015 Budget \$	2014 \$
Cash and cash equivalents	<u>17,030,460</u>	<u>10,550,101</u>	<u>8,915,709</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	9,733,429	3,756,455	(6,946,262)
Non-cash flows in Net result:			
Depreciation	5,776,006	6,036,820	5,649,409
(Profit)/Loss on sale of asset	407,229	(210,891)	184,996
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(2,045,819)	(31,853)	172,414
(Increase)/Decrease in inventories	(177)	386	250
Increase/(Decrease) in payables	2,657,429	(2,192,806)	2,312,706
Increase/(Decrease) in provisions	(130,347)	54,277	29,074
Grants and contributions for the development of assets	(8,567,574)	(6,491,991)	(2,519,767)
Net cash from operating activities	<u>7,830,176</u>	<u>920,397</u>	<u>(1,117,180)</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

14. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

	2015	2014
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	2,500,000	0
Bank overdraft at balance date	0	0
Credit card limit	55,000	55,000
Credit card balance at balance date	(7,665)	0
Total amount of credit unused	<u>2,547,335</u>	<u>55,000</u>
Loan facilities		
Loan facilities - current	954,449	2,261,457
Loan facilities - non-current	6,163,211	5,314,442
Total facilities in use at balance date	<u>7,117,660</u>	<u>7,575,899</u>
Unused loan facilities at balance date	<u>1,035,127</u>	<u>1,188,486</u>

15. CONTINGENT LIABILITIES

The Shire is currently in two legal disputes with a contractor whereby the contractor commenced legal action. At the time of writing this report, the Council has resolved to defend its position. Any potential liability is not considered substantial in the context of the Shire's financial statements.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

16. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but

Payable:

- not later than one year

- later than one year but not later than five years

- later than five years

	2015	2014
	\$	\$
-	0	93,794
-	0	0
-	0	0
	0	93,794
	0	93,794

The Shire did not have any future operating lease commitments at the reporting date.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

	2015 \$	2014 \$
(b) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	431,301	935,356
- plant & equipment purchases	33,896	0
	<u>465,197</u>	<u>935,356</u>
Payable:		
- not later than one year	465,197	935,356
<i>The capital expenditure commitments outstanding at the end of the current reporting period represents:</i>		
Kununurra landfill site - storm water & bores	2,780	0
Welcome to Country signage	15,000	0
Ivanhoe Crossing - reconstruct	972	0
Kununurra landfill site - liquid waste facility	31,981	0
Drainage upgrade (design, estimates & construct)	59,880	0
Wyndham depot fire damage reinstatement - buildings	218,030	0
System development - capital	8,169	0
Egret Close - reconstruct and seal	3,812	0
Light plant - purchase price	25,727	0
Kalumburu Road - re-sheet	27,545	43,197
Lily Creek Lagoon boat ramp and jetty	63,550	0
Runway asphalt overlay	7,750	0
Maintenance at the East Kimberley Regional Airport	0	449,040
Erythrina Street - reconstruct, seal pavement and footpath	0	148,891
Kununurra townsite - asphalt resurfacing program	0	117,679
Coolibah Drive - asphalt resurfacing program	0	176,549
	<u>465,197</u>	<u>935,356</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

17. JOINT VENTURE ARRANGEMENTS

The Shire of Wyndham East Kimberley is not involved in any joint venture arrangements.

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015	2014
	\$	\$
Governance	135,119	127,431
General purpose funding	2,161,420	0
Law, order, public safety	751,418	241,353
Health	74,140	82,520
Education and welfare	3,723,447	3,678,304
Housing	7,330,519	7,643,665
Community amenities	4,710,711	5,122,955
Recreation and culture	34,005,326	33,110,233
Transport	214,656,143	57,664,071
Economic services	2,167,548	1,928,230
Other property and services	7,466,944	8,752,078
Unallocated	21,272,437	16,250,764
	<u>298,455,172</u>	<u>134,601,604</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

19. FINANCIAL RATIOS

	Target Ratio for "Basic" Standard ¹	Target Ratio for "Intermediate" Standard ¹	Target Ratio for "Advanced" Standard ¹	2015	2014	2013
Current ratio ²	1.00			0.81	0.18	1.06
Asset sustainability ratio	0.09 - 1.10	N/A	≥ 1.10	1.16	0.47	1.50
Debt service cover ratio	≥ 5	N/A	≥ 10	6.79	(4.82)	16.66
Operating surplus ratio	0.01 - 0.15	N/A	≥ 0.15	0.07	(0.61)	0.33
Own source revenue coverage ratio	0.4 - 0.6	0.6 - 0.9	> 0.9	0.62	0.56	0.65

¹ Target ratios are as per the Department of Local Government and Communities (DLGC) Guidelines except the Debt Service Cover Ratio which is a target devised based on experience. For information, DLGC Guidelines establish a target Debt Service Cover Ratio of 2 or greater for the "Basic" Standard and greater than 5 for the "Advanced" Standard.

² The standard is met if the ratio is greater than 1.00. A ratio of less than 1.00 indicates a below standard result.

Below acceptable banding

Within acceptable banding

Above target as per

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

19. FINANCIAL RATIOS (Continued)

Purpose of the Ratios	How the Ratios are Calculated
<p>Current ratio</p> <p>To measure short term (unrestricted) liquidity. That is, the ability of the Shire to meet its liabilities (obligations) as and when they fall due.</p>	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
<p>Asset sustainability ratio</p> <p>Measures the extent to which assets are being renewed/replaced compared to the amount consumed (depreciation). The ratio may be skewed by large scale intermittent investment in major infrastructure.</p>	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
<p>Debt service cover ratio</p> <p>Measures the Shire's ability to service debt out of its uncommitted or general purpose fund available for its operations.</p>	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
<p>Operating surplus ratio</p> <p>Highlights the extent of any operating surplus or deficit in relation to the overall size of the Shire. This ratio helps to measure the ability to cover operational needs and have revenues available for capital or other purposes.</p>	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
<p>Own source revenue coverage ratio</p> <p>The higher the ratio, the more self-reliant the Shire is as it allows greater flexibility as less external funds are required for operational purposes.</p>	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

20. FINANCIAL RATIOS (Continued)

Notes:

(a) Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 80 of this document.

2015

(b) Three of the 2015 ratios disclosed above were distorted by items of significant revenue and expense relating to:

- (i) An item of significant revenue relating to the early payment of 2015/16 Financial Assistance Grants (FAGs) of \$1,843,380, which was received prior to year end. This forms part of operating revenue.
- (ii) The WANDRRA grant of \$4,068,008 for flood damage repair expenses incurred by the Shire in 2014 and 2015, included as part of operating revenue.
- (iii) The significant expense relating to flood damage repair expenses incurred in 2015 amounting to \$2,995,272 funded by the WANDRRA grant detailed in (b)(ii) above. This forms part of operating expenses.

2014

(c) Four of the 2014 ratios disclosed above were distorted by items of significant revenue and expense relating to:

- (i) The refund of the CLGF grant funding for the Kimberley Zone Housing Construction for \$1,622,019, included as part of operating revenue.
- (ii) The change to the payment of FAGs during the year ended 30 June 2014 saw the advance payment for the following year cease. This created a timing difference which resulted in an amount of some \$2,115,965 less revenue for the year.
- (iii) The significant expense relating to flood damage repair expenses incurred in 2014 amounting to \$1,072,736 funded by the WANDRRA grant details in (b)(ii) above. This forms part of operating expenses.

**SHIRE OF WYNDRAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

19. FINANCIAL RATIOS (Continued)

2013

(d) Three of the 2013 ratios disclosed above were distorted relate to:

- (i) The initial recognition of Land under the Shire's control in accordance with amendments to the Financial Management Regulations amounting to \$6,501,992. This forms part of operating revenue.
- (ii) The significant expense relating to the reduction in the fair value of the Shire's furniture and equipment amounting to \$111,314, included as part of operating expenses.

These items are considered "one-off" timing/non-cash in nature and, if they were ignored, the calculations disclosed in the columns above would be as follows:

FINANCIAL RATIOS

	Target Ratio for "Basic" Standard ¹	Target Ratio for "Intermediate" Standard ¹	Target Ratio for "Advanced" Standard ¹	2015	2014	2013
Current ratio ²	1.00			0.81	0.41	1.06
Debt service cover ratio	≥ 5	N/A	≥ 10	4.06	1.70	5.21
Operating surplus ratio	0.01 - 0.15	N/A	≥ 0.15	(0.10)	(0.30)	(0.10)
Own source revenue coverage ratio	0.4 - 0.6	0.6 - 0.9	> 0.9	0.70	0.62	0.65

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

20. 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 2014 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2015 \$
Housing Bonds	0	1,000	0	1,000
ASIC - Airport Security Card	4,740	0	(100)	4,640
Footpath Bonds	37,008	16,240	(8,658)	44,590
Hall Hire Bonds - Kununurra Leisure Centre	5,650	8,550	(5,850)	8,350
Hall Hire Bonds - Peter Reid Memorial Hall	520	6,320	(6,470)	370
Wyndham Port Hall Bond	10,250	0	(250)	10,000
Wyndham Oval Hire Bonds	720	220	(740)	200
Kununurra Youth Centre Bonds	2,000	1,250	(500)	2,750
Other Trust Funds	580	1,230	0	1,810
Pubic Open Space Contributions	419,712	13,845	0	433,557
Building Services Levy	3,830	22,816	(19,122)	7,524
Building & Construction Industry Training Fund	0	42,862	(36,464)	6,398
Kununurra 50th Birthday Brick Fund	1,824	4,906	(6,461)	269
50th Anniversary Special Series Number Plates	7,275	0	(4,906)	2,369
Terminal Security Access Card	715	441	(521)	635
Transport Clearing Account	0	228,144	(228,144)	0
Health Application Fee	140	105	0	245
Private Works Bonds	66,000	0	(66,000)	(0)
	<u>560,964</u>	<u>347,929</u>	<u>(384,186)</u>	<u>524,707</u>

21. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land and Buildings						
<i>Housing</i>						
LB107/179- - 29 Boobialla Street	0	165,375	0	365,000	0	199,625
Plant and Equipment						
<i>Community amenities</i>						
P475 - WY13760 - 2009 Toyota Coaster Bus	53,694	0	0	0	(53,694)	0
P472 - WY13459 - Toyota Hiace Bus Youth Services	22,110	0	0	0	(22,110)	0
P216 - WY14451 - 2010 Toyota Landcruiser	31,401	0	0	0	(31,401)	0
<i>Other property and services</i>						
LB360 - Wyndham Depot*	293,990	0	0	0	(293,990)	0
Transportable Office - Old Admin Building	27,780	0	10,000	0	(17,780)	0
P490 - WY14982 - 2011 Toyota Hilux	0	14,257	0	25,000	0	10,743
P468 - WY12495 - Holden Astra 1.9L	5,145	3,477	5,031	4,000	(114)	523
P473 - WY13587 - 2009 Toyota Hilux 2WD*	12,977	0	18,475	0	5,498	0
P381 - WY14968 - 4WD John Deere Ride on Mower*	13,678	0	19,248	0	5,570	0
P376 - WY15761 - Trailer*	3,658	0	4,450	0	792	0
	<u>464,433</u>	<u>183,109</u>	<u>57,204</u>	<u>394,000</u>	<u>(407,229)</u>	<u>210,891</u>
					Profit	11,860
					Loss	(419,089)
						<u>210,891</u>

* The Wyndham Depot and plant items highlighted were destroyed by a fire on Sunday 14th September 2014. These items are in the process of being reconstructed and replaced.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2014 \$	New Loans \$	Principal Repayments		Principal 30 June 2015		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance								
Administration Building Land L122	327,842	0	46,894	46,894	280,948	280,948	19,161	19,212
Administration Building Bridging Loan L123	1,500,000	0	1,500,000	1,500,000	0	0	21,985	21,985
Administration Building Loan L124	2,182,561	0	221,859	221,859	1,960,702	1,960,703	81,865	82,109
Administration Building L129	0	1,500,000	0	118,909	1,500,000	1,381,091	21,459	74,461
Education and welfare								
Kununurra Childcare Centre L120	353,246	0	55,742	55,742	297,504	297,504	20,218	20,318
Housing								
Staff Housing L115	63,926	0	12,742	15,277	51,184	48,650	3,452	3,469
Staff Housing L127	88,498	0	13,428	13,428	75,070	75,070	3,134	3,147
Community amenities								
KNW Youth Centre L118	121,814	0	27,258	27,258	94,556	94,556	8,209	8,228
Liquid Waste Facility L125	400,000	0	95,001	95,001	304,999	304,999	12,548	12,593
Waste Management L126	1,695,000	0	139,522	139,522	1,555,478	1,555,478	69,649	69,935
Drainage L128	125,000	0	10,289	10,289	114,711	114,711	5,149	5,171
Recreation and culture								
KNX Aquatic Centre Refurbishment L113	357,187	0	71,195	71,195	285,992	285,993	19,286	19,382
WYN Recreation Centre L114	149,828	0	29,864	29,864	119,964	119,964	7,772	8,130
Multi Purpose Courts L119	210,996	0	37,663	37,663	173,333	173,333	11,162	11,215

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

22. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

Particulars		Date Borrowed	Balance 1 July 14 \$	Borrowed During Year \$	Expended During Year \$	Balance 30 June 15 \$
Administration Building Loan	L124	Dec 2012	127,799	0	21,239	106,560
Liquid Waste Facility	L125	16 May 14	235,056	0	117,793	117,263
Waste Management	L126	16 May 14	770,242	0	183,428	586,814
Drainage	L128	16 May 14	55,389	0	0	55,389
Administration Building Loan	L129	08 Jan 15	0	1,500,000	1,500,000	0
Building and Infrastructure	L130	09 Jun 15	0	303,218	134,117	169,101
			1,188,486	1,803,218	1,956,577	1,035,127

(d) Overdraft

The Council approved an overdraft facility with a limit of \$2.5 million at the Special Council Meeting in August 2014, Minute #10503 in order to cover the expenditure associated with the flood event in February 2014 until such time as the WANDRRA reimbursements were received, also noting that the overdraft would be an ongoing facility. The Shire did not need to utilise the overdraft facility during 2014/15.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

23. RATING INFORMATION - 2014/15 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate											
Gross rental value valuations											
GRV - Residential	8.8623	1,600	46,794,384	4,147,059	20,465	4,871	4,172,395	4,147,059	0	0	4,147,059
GRV - Other Vacant	13.2935	24	426,850	56,743	14,897	2,555	74,195	56,743	0	0	56,743
GRV - Commercial	9.7485	129	14,611,445	1,424,397	(24,246)	8,657	1,408,808	1,424,397	0	0	1,424,397
GRV - Industrial	9.7485	164	8,620,645	840,384	7,785	6,592	854,761	840,384	0	0	840,384
Unimproved value valuations											
UV - Rural Residential	0.9335	185	51,149,000	477,476	0	0	477,476	477,476	0	0	477,476
UV - Pastoral	2.9471	24	14,647,919	431,689	63	60	431,812	431,689	0	0	431,689
UV - Commercial/Industrial	0.6278	35	13,362,120	83,887	2,852	1,133	87,872	83,887	0	0	83,887
UV - Rural Agriculture 1	0.8878	76	64,115,754	569,220	37,625	(2,524)	604,321	570,822	0	0	570,822
UV - Rural Agriculture 2	0.6278	109	57,287,000	359,648	290	19	359,957	359,648	0	0	359,648
UV - Mining	25.7167	65	1,983,154	510,002	32,248	370	542,620	510,002	0	0	510,002
UV - Other	0.6006	4	7,246,000	43,519	(40,360)	0	3,159	43,519	0	0	43,519
Sub-Totals		2,415	280,244,271	8,944,024	51,619	21,733	9,017,376	8,945,625	0	0	8,945,625

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

23. RATING INFORMATION - 2014/15 FINANCIAL YEAR (Continued)

(a) Rates (Continued)

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Minimum payment	Minimum \$										
Gross rental value valuations											
GRV - Residential	1,034	41	326,574	42,394	0	0	42,394	42,394	0	0	42,394
GRV - Other Vacant	1,034	105	429,250	108,570	0	0	108,570	108,570	0	0	108,570
GRV - Commercial	1,034	49	393,865	50,666	0	0	50,666	50,666	0	0	50,666
GRV - Industrial	1,034	8	41,275	8,272	0	0	8,272	8,272	0	0	8,272
Unimproved value valuations											
UV - Rural Residential	1,034	0	0	0	0	0	0	0	0	0	0
UV - Pastoral	1,034	2	58,361	2,068	0	0	2,068	2,068	0	0	2,068
UV - Commercial/Industrial	1,034	7	570,900	7,238	0	0	7,238	7,238	0	0	7,238
UV - Rural Agriculture 1	1,034	2	50,000	2,068	0	0	2,068	2,068	0	0	2,068
UV - Rural Agriculture 2	1,034	0	0	0	0	0	0	0	0	0	0
UV - Mining	830	65	99,524	53,950	0	0	53,950	53,950	0	0	53,950
UV - Other	1,034	1	800	1,034	0	0	1,034	1,034	0	0	1,034
Sub-Totals		280	1,970,549	276,260	0	0	276,260	276,260	0	0	276,260
Ex-gratia rates							9,293,636				9,221,885
Discounts/concessions (refer note 26)							4,651				4,651
Total amount raised from general rate							(42,791)				(45,921)
Specified Area Rate (refer note 24)							9,255,496				9,180,615
Totals							0				0
							9,255,496				9,180,615

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

23. RATING INFORMATION - 2014/15 FINANCIAL YEAR (Continued)

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

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
Surplus/(Deficit) 1 July 14 brought forward	<u>197,606</u>	<u>(1,397,052)</u>	<u>(1,397,052)</u>
Comprises:			
Cash and cash equivalents			
Cash on Hand - Unrestricted	1,700	1,700	1,700
Cash at Bank - Municipal	2,859,526	650,655	650,655
Restricted Reserves	14,169,234	8,263,354	8,263,354
Other Financial Assets			
Financial assets at fair value through profit and loss	6,682	6,682	6,682
Receivables			
Rates outstanding	300,711	306,016	306,016
Sundry debtors	1,114,988	856,180	856,180
GST receivable	328,946	253,969	253,969
Accrued income	1,978,252	293,650	293,650
Bonds paid for staff housing	0	17,860	17,860
Prepayments	47,817	0	0
Inventories			
Fuel and materials	10,532	10,355	10,355
Less:			
Trade and other payables			
Sundry creditors	(3,231,143)	(3,604,894)	(3,604,894)
Accrued interest on debentures	(53,264)	(41,523)	(41,523)
Accrued salaries and wages	(152,298)	(142,786)	(142,786)
ATO liabilities	(164,088)	0	0
Accrued expenses	(2,850,755)	(4,916)	(4,916)
Current portion of long term borrowings			
Secured by floating charge	(954,449)	(2,261,457)	(2,261,457)
Provisions			
Provision for annual leave	(664,557)	(644,366)	(644,366)
Provision for long service leave	(205,218)	(402,943)	(402,943)
Net current assets	<u>12,542,616</u>	<u>3,557,536</u>	<u>3,557,536</u>
Less:			
Reserves - restricted cash	(14,169,234)	(8,263,354)	(8,263,354)
Add:			
Secured by floating charge	954,449	2,261,457	2,261,457
Component of Employee Liability not required to be funded	869,775	1,047,309	1,047,309
Surplus/(deficit)	<u>197,606</u>	<u>(1,397,052)</u>	<u>(1,397,052)</u>

Difference: There was no difference between the deficit 1 July 2014 brought forward position used in the 2015 audited financial report and the deficit carried forward position as disclosed in the 2014 audited financial report.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS (Continued)
- 2014/15 FINANCIAL YEAR

		Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Debtor	80009	Write-Off	100%	6,814	18,838
Ratepayer	A7303	Write-Off	100%	4,800	0
Ratepayer	A1160	Write-Off	100%	741	0
Debtor	489	Write-Off	100%	0	102,036
				12,355	120,874

Note

The Council consider each potential write-off when it is presented, for which the reasons why the debt is no longer deemed to be able to be collected, or should not be collected varies.

The write-off for each of the above items were considered as follows:

	Audit (Finance and Risk) Committee		Ordinary Council Meeting	
	Minute No.	Date	Minute No.	Date
80009	AC311	12-Aug-14	10505	26-Aug-14
A7303	AC324	4-Nov-14	10651	18-Nov-14
A1160	Presented Directly to Council		11014	23-Jun-15

27. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	9.00%	0	53,220	75,000
Interest on instalments plan	5.50%	0	41,874	27,500
Charges on instalment plan		\$ 11.50	23,326	10,000
Interest on unpaid sundry debts	11.00%	0	12,546	10,000
Pensioner deferred rate interest	2.85%	0	353	0
			131,319	122,500

Ratepayers had the option of paying rates in full by 17 October 2014; by two (2) equal instalments due on 17 October 2014 and 20 February 2015; or in four equal instalments, due on 17 October 2014, 19 December 2014, 20 February 2015 and 24 April 2015. Administration charges and interest applied for the final three instalments.

Ratepayers also had the option of entering into special payment arrangements where payments could be made on a weekly, fortnightly or monthly basis. An initial establishment fee, administrative charge for each instalment of the payment arrangement and interest was applied.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

28. FEES & CHARGES	2015	2014
	\$	\$
Governance	5,596	24,201
General purpose funding	40,194	11,741
Law, order, public safety	31,616	41,203
Health	74,558	80,501
Education and welfare	65,775	106,371
Housing	192,822	222,321
Community amenities	2,350,046	2,292,432
Recreation and culture	575,477	456,000
Transport	3,723,718	3,914,111
Economic services	79,276	96,353
	<u>7,139,078</u>	<u>7,245,234</u>

There were three new fees adopted by the Council subsequent to those adopted in the 2014/15 Budget, being for:

1. Boarding Kennel Registration and Renewal Fee of \$200 (Minute #: 10476);
2. Outdoor Dining - Application Fee of \$150 and an Annual Permit Fee of \$10/m2 (Minute #: 10842);
3. Display of Goods - Application Fee of \$150 and an Annual Permit Fee of \$10/m2 (Minute #: 10842).

29. GRANT REVENUE

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

By Nature or Type:	2015	2014
	\$	\$
Operating grants, subsidies and contributions	11,200,814	2,210,613
Non-operating grants, subsidies and contributions	8,567,574	2,519,767
	<u>19,768,388</u>	<u>4,730,380</u>
By Program:		
Governance	993,522	21,793
General purpose funding	5,499,902	1,492,773
Law, order, public safety	388,853	8,947
Education and welfare	16,980	53,110
Housing	0	947,765
Community amenities	93,547	139,981
Recreation and culture	282,702	292,622
Transport	12,435,128	1,663,878
Economic services	1,560	0
Other property and services	56,194	109,511
	<u>19,768,388</u>	<u>4,730,380</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>89</u>	<u>87</u>
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SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

31. ELECTED MEMBERS REMUNERATION	2015 \$	2015 Budget \$	2014 \$
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	135,140	135,140	127,406
President's allowance	30,000	30,000	23,702
Deputy President's allowance	7,500	7,500	4,303
Travelling expenses	1,329	2,000	1,605
	173,969	174,640	157,016

32. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2014/15 financial year.

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2014/15 financial year.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

34. FINANCIAL RISK MANAGEMENT

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

The Shire 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 Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015	2014	2015	2014
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	17,030,460	8,915,709	17,030,460	8,915,709
Other Financial Assets	6,682	6,682	6,682	6,682
Receivables	3,788,043	1,742,224	3,788,043	1,742,224
	<u>20,825,185</u>	<u>10,664,615</u>	<u>20,825,185</u>	<u>10,664,615</u>
Financial liabilities				
Payables	6,451,548	3,794,119	6,409,121	3,794,119
Borrowings	7,117,660	7,575,899	7,081,381	7,670,943
	<u>13,569,208</u>	<u>11,370,018</u>	<u>13,490,502</u>	<u>11,465,062</u>

Fair value is determined as follows:

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

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The Shire'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 the Shire.

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash.

	2015	2014
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	170,305	89,157
- Statement of Comprehensive Income	170,305	89,157

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 2015**

34. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

The Shire'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. The Shire 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 the Shire to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. The Shire 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.

The Shire 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 Shire's credit risk at balance date was:

	2015	2014
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	64%	70%
- Overdue	36%	30%

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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. The Shire 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 the Shire’s Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2015</u>					
Payables	6,451,548	0	0	6,451,548	6,451,548
Borrowings	1,236,766	4,353,899	2,710,852	8,301,517	7,117,660
	<u>7,688,314</u>	<u>4,353,899</u>	<u>2,710,852</u>	<u>14,753,065</u>	<u>13,569,208</u>
<u>2014</u>					
Payables	3,794,119	0	0	3,794,119	3,794,119
Borrowings	2,550,938	3,888,293	2,306,171	8,745,402	7,575,899
	<u>6,345,057</u>	<u>3,888,293</u>	<u>2,306,171</u>	<u>12,539,521</u>	<u>11,370,018</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

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. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

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

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Year ended 30 June 2015								
Borrowings								
Fixed rate								
Debentures	0	0	399,555	630,474	653,522	5,434,109	7,117,660	4.03%
Weighted average Effective interest rate			4.31%	5.99%	5.83%	3.56%		
Year ended 30 June 2014								
Borrowings								
Fixed rate								
Debentures	1,500,000	0	0	521,814	781,938	4,772,147	7,575,899	3.52%
Weighted average Effective interest rate	3.26%			4.30%	6.00%	4.14%		

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

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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 2015, 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 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 and fair presentation 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.

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 2015 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

**SHIRE OF WYNDHAM EAST KIMBERLEY
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2015**

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

	2015	2014	2013
Asset consumption ratio	0.65	0.44	0.50
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	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

* The Shire is unable to calculate the Asset Renewal Funding Ratio at this time as the information is unavailable.