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SHIRE OF WYNDHAM | EAST KIMBERLEY

BUDGET

2018

2017

SHIRE of WYNDHAM EAST KIMBERLEY

2017-18 Budget

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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.

SHIRE of WYNDHAM EAST KIMBERLEY 2017-18 Budget

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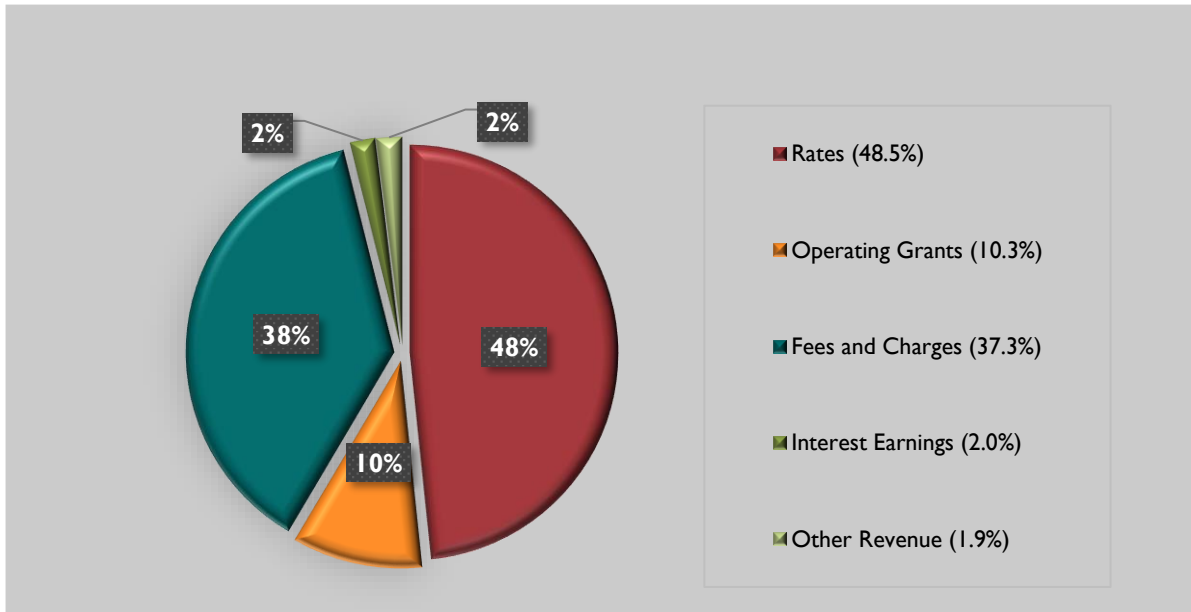
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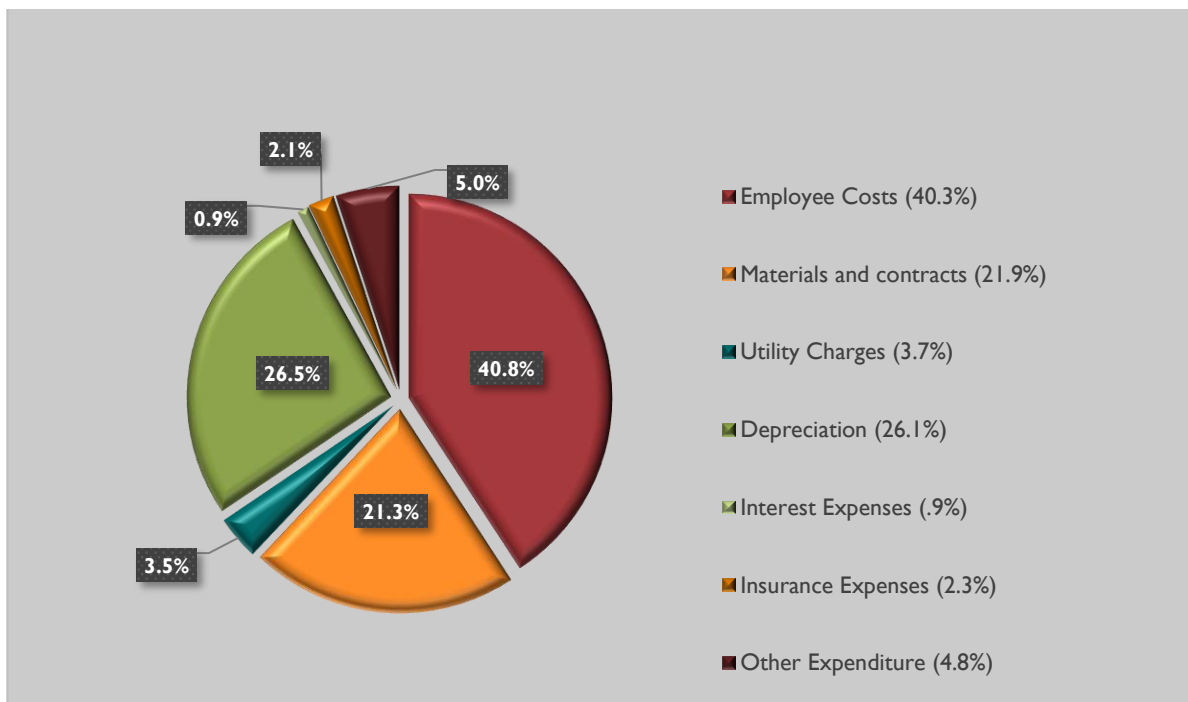
SHIRE of WYNDHAM EAST KIMBERLEY 2017-18 Budget

Operating Revenue

Excludes non+operating revenue

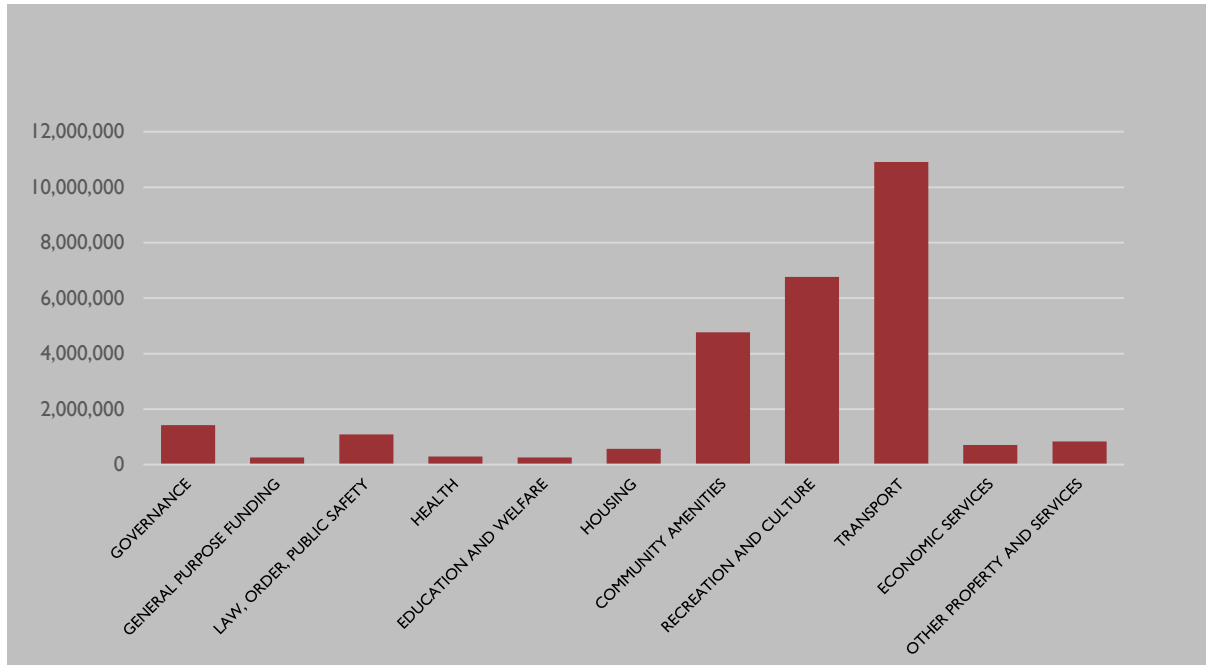


Operating Expenditure

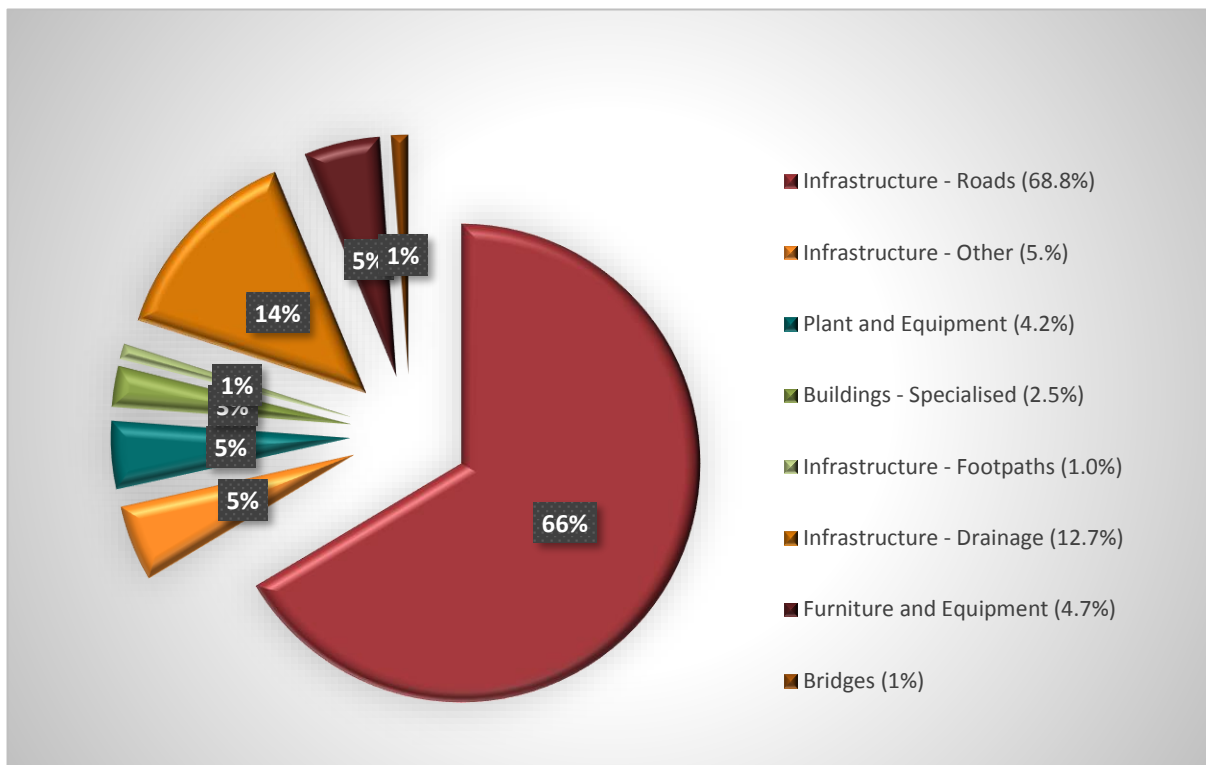


SHIRE of WYNDHAM EAST KIMBERLEY 2017-18 Budget

Operating Expenditure by Program



Capital Expenditure by Asset Class



**SHIRE of WYNDHAM EAST KIMBERLEY
2017-18 Budget**

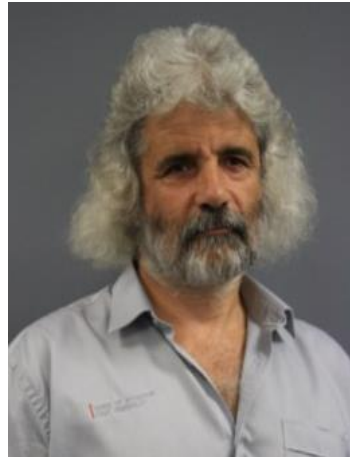
Executive Staff

Chief Executive Officer



Carl Askew

Director Infrastructure



David Klye

Director Community Development



Louise Gee

Director Corporate Service



Vernon Lawrence

**SHIRE of WYNDHAM EAST KIMBERLEY
2017-18 Budget**



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SHIRE OF WYNDHAM | EAST KIMBERLEY

FINANCIAL STATEMENTS

SHIRE OF WYNDHAM EAST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2017/18 Budget \$	2016/17 Projected \$	2016/17 Budget \$
Revenue				
Rates	8	10,376,869	10,149,327	10,151,361
Operating grants, subsidies and contributions		2,165,090	6,334,977	4,611,648
Fees and charges	14	8,073,733	7,364,132	7,639,699
Interest earnings	2(a)	427,396	480,279	418,635
Other revenue	2(a)	413,500	427,245	416,515
		<u>21,456,588</u>	<u>24,755,960</u>	<u>23,237,858</u>
Expenses				
Employee costs		(11,371,809)	(10,079,988)	(10,925,701)
Materials and contracts		(5,924,085)	(5,121,570)	(8,210,970)
Utility charges		(968,536)	(841,663)	(1,220,306)
Depreciation on non-current assets	2(a)	(7,374,526)	(7,277,932)	(7,277,932)
Interest expenses	2(a)	(258,076)	(316,627)	(317,623)
Insurance expenses		(571,777)	(606,934)	(606,774)
Other expenditure		(1,403,961)	(956,668)	(1,291,208)
		<u>(27,872,770)</u>	<u>(25,201,382)</u>	<u>(29,850,514)</u>
		(6,416,182)	(445,422)	(6,612,656)
Non-operating grants, subsidies and contributions		11,448,756	2,039,575	3,265,708
Profit on asset disposals	6	62,325	33,340	42,846
Loss on asset disposals	6	(42,074)	(10,563)	(15,518)
NET RESULT		5,052,826	1,616,930	(3,319,620)
Other comprehensive income				
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>5,052,826</u>	<u>1,616,930</u>	<u>(3,319,620)</u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption. Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such have no impact on this budget document.

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 30 JUNE 2018

	NOTE	2017/18 Budget	2016/17 Projected	2016/17 Budget
		\$	\$	\$
Revenue (Refer Notes 1,2,8,10 to 14)				
Governance		25,800	93,354	25,901
General purpose funding		12,585,980	16,206,356	14,249,880
Law, order and public safety		447,171	431,143	431,646
Health		95,117	94,029	97,328
Education and welfare		11,242	11,862	11,130
Housing		165,540	130,253	152,500
Community amenities		3,008,715	2,798,727	3,049,482
Recreation and culture		764,343	784,154	981,502
Transport		4,212,880	4,023,011	4,161,489
Economic services		115,800	121,048	53,000
Other property and services		24,000	62,023	24,000
		21,456,588	24,755,960	23,237,858
Expenses Excluding Finance Costs Refer Notes 1, 2 & 15)				
Governance		(1,137,467)	(708,464)	(1,384,129)
General purpose funding		(409,693)	(108,106)	(316,971)
Law, order and public safety		(1,086,626)	(1,008,015)	(1,036,202)
Health		(289,992)	(241,369)	(301,590)
Education and welfare		(242,445)	(167,230)	(224,498)
Housing		(566,101)	(475,455)	(588,056)
Community amenities		(4,690,275)	(3,718,335)	(5,517,021)
Recreation and culture		(6,752,513)	(6,418,107)	(6,985,785)
Transport		(10,899,466)	(10,399,103)	(12,078,979)
Economic services		(705,106)	(368,792)	(533,771)
Other property and services		(835,009)	(1,271,777)	(565,890)
		(27,614,694)	(24,884,753)	(29,532,892)
Finance Costs (Refer Notes 2 & 9)				
Governance		(138,185)	(159,959)	(159,958)
Education and welfare		(13,157)	(18,893)	(18,893)
Housing		(3,475)	(5,470)	(5,470)
Community amenities		(74,887)	(90,786)	(90,786)
Recreation and culture		(17,978)	(30,282)	(31,277)
Transport		(10,394)	(11,239)	(11,239)
		(258,076)	(316,629)	(317,623)
Non-operating Grants, Subsidies and Contributions				
Recreation and culture		160,000	738,432	836,336
Transport		11,288,756	1,301,144	2,429,372
		11,448,756	2,039,576	3,265,708

**SHIRE OF WYNDHAM EAST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2017/18 Budget \$	2016/17 Projected \$	2016/17 Budget \$
Profit/(Loss) On				
Disposal Of Assets (Refer Note 6)				
Transport		1,526	0	0
Economic services		490	0	0
Other properties and services		18,235	22,777	27,328
		<u>20,251</u>	<u>22,777</u>	<u>27,328</u>
Loss on				
Revaluation Of Non Current Assets				
		<u>0</u>	<u>0</u>	<u>0</u>
NET RESULT				
		5,052,825	1,616,931	(3,319,621)
Other comprehensive income				
		<u>0</u>	<u>0</u>	<u>0</u>
Total other comprehensive income				
		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME				
		<u>5,052,825</u>	<u>1,616,931</u>	<u>(3,319,621)</u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the remeasurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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 30 JUNE 2018**

	NOTE	2017/18 Budget \$	2016/17 Projected \$	2016/17 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		9,339,182	9,573,821	9,796,063
Operating grants, subsidies and contributions		2,165,090	6,440,472	3,514,544
Fees and charges		8,073,733	7,364,132	7,639,699
Interest earnings		427,396	480,279	418,635
Goods and services tax		1,818,029	1,139,092	2,167,943
Other revenue		413,500	427,245	416,515
		<u>22,236,930</u>	<u>25,425,041</u>	<u>23,953,399</u>
Payments				
Employee costs		(11,371,809)	(10,525,170)	(10,935,533)
Materials and contracts		(5,924,085)	(6,716,173)	(8,210,970)
Utility charges		(968,536)	(841,663)	(1,220,306)
Interest expenses		(212,865)	(363,607)	(317,623)
Insurance expenses		(571,777)	(606,934)	(606,774)
Goods and services tax		(807,775)	(1,021,179)	(715,542)
Other expenditure		(1,403,961)	(956,668)	(1,291,208)
		<u>(21,260,808)</u>	<u>(21,031,394)</u>	<u>(23,297,956)</u>
Net cash provided by (used in) operating activities	3(b)	<u>976,122</u>	<u>4,393,647</u>	<u>655,443</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5	(2,428,494)	(942,129)	(1,405,380)
Payments for construction of infrastructure	5	(16,049,775)	(2,846,205)	(6,542,068)
Non-operating grants, subsidies and contributions used for the development of assets		11,448,756	2,039,575	3,265,708
Proceeds from sale of plant & equipment	6	248,818	214,588	192,588
		<u>(6,780,695)</u>	<u>(1,534,171)</u>	<u>(4,489,152)</u>
Net cash provided by (used in) investing activities		<u>(6,780,695)</u>	<u>(1,534,171)</u>	<u>(4,489,152)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures	7	(1,044,645)	(999,565)	(999,564)
Advances to community groups		(50,000)	0	(50,000)
Proceeds from self supporting loans		2,128	0	2,128
Proceeds from new debentures	7	50,000	0	50,000
Net cash provided by (used In) financing activities		<u>(1,042,517)</u>	<u>(999,565)</u>	<u>(997,436)</u>
Net increase (decrease) in cash held		<u>(6,847,090)</u>	<u>1,859,911</u>	<u>(4,831,145)</u>
Cash at beginning of year		<u>15,696,654</u>	<u>13,836,742</u>	<u>13,240,114</u>
Cash and cash equivalents at the end of the year	3(a)	<u>8,849,564</u>	<u>15,696,653</u>	<u>8,408,969</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 30 JUNE 2018

	NOTE	2017/18 Budget \$	2016/17 Projected \$	2016/17 Budget \$
Net current assets at start of financial year - surplus/(deficit)	4	2,573,358	1,900,334	2,939,845
Revenue from operating activities (excluding rates and non-operating grants, subsidies and contributions)	1,2			
Governance		25,800	93,354	25,901
General purpose funding		2,209,111	6,057,029	4,098,519
Law, order and public safety		447,171	431,143	431,646
Health		95,117	94,029	97,328
Education and welfare		11,242	11,862	11,130
Housing		165,540	130,253	152,500
Community amenities		3,008,715	2,798,727	3,049,482
Recreation and culture		764,343	784,154	981,502
Transport		4,215,656	4,023,011	4,161,489
Economic services		116,290	121,048	53,000
Other property and services		83,059	95,363	66,846
		<u>11,142,044</u>	<u>14,639,973</u>	<u>13,129,343</u>
Expenditure from operating activities	1,2			
Governance		(1,275,652)	(868,423)	(1,544,087)
General purpose funding		(409,693)	(108,106)	(316,971)
Law, order and public safety		(1,086,626)	(1,008,015)	(1,036,202)
Health		(289,992)	(241,369)	(301,590)
Education and welfare		(255,602)	(186,123)	(243,391)
Housing		(569,576)	(480,925)	(593,526)
Community amenities		(4,765,162)	(3,809,121)	(5,607,807)
Recreation and culture		(6,770,491)	(6,448,389)	(7,017,062)
Transport		(10,911,110)	(10,410,342)	(12,090,218)
Economic services		(705,106)	(368,792)	(533,771)
Other property and services		(875,833)	(1,282,340)	(581,408)
		<u>(27,914,843)</u>	<u>(25,211,945)</u>	<u>(29,866,033)</u>
Operating activities excluded from budget				
(Profit)/Loss on asset disposals	6	(20,251)	22,777	(27,328)
Depreciation on assets	2(a)	7,374,526	7,277,934	7,277,932
Movement in deferred pensioners		0	0	0
Movement in employee benefit provisions				(9,832)
Amount attributable to operating activities		<u>(6,845,166)</u>	<u>(1,370,927)</u>	<u>(6,556,073)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and				
Non-operating grants, subsidies and contributions		11,448,756	2,039,575	3,265,708
Purchase land held for resale	5	0	0	0
Purchase property, plant and equipment	5	(2,428,494)	(942,129)	(1,405,380)
Purchase and construction of infrastructure	5	(16,049,775)	(2,846,205)	(6,542,068)
Proceeds from disposal of assets	6	248,818	214,588	192,588
Amount attributable to investing activities		<u>(6,780,695)</u>	<u>(1,534,171)</u>	<u>(4,489,152)</u>
FINANCING ACTIVITIES				
Repayment of debentures	7	(1,044,645)	(999,565)	(999,564)
Proceeds from new debentures	7	50,000	0	50,000
Proceeds from self supporting loans		2,128	0	2,128
Advances to community groups		(50,000)	0	(50,000)
Transfers to cash backed reserves (restricted assets)	9	(5,469,067)	(7,337,871)	(6,278,646)
Transfers from cash backed reserves (restricted assets)	9	9,760,575	3,666,565	8,169,946
Budgeted deficiency before general rates		<u>(10,376,870)</u>	<u>(7,575,969)</u>	<u>(10,151,361)</u>
Estimated amount to be raised from general rates	8	<u>10,376,869</u>	<u>10,149,327</u>	<u>10,151,361</u>
Net current assets at end of financial year - surplus/(deficit)	4	<u>(0)</u>	<u>2,573,358</u>	<u>0</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 BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

I. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government 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 budget are presented below and policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

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

Critical Accounting Estimates

The preparation of a budget 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 budget.

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 16 to this budget document.

(b) 2016/17 Actual Balances

Balances shown in this budget as 2016/17 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding Off Figures

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

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the Shire 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.

(e) 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.

(f) 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.

(g) 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 shown as short term borrowings in current liabilities in Note 4 - Net Current Assets.

(h) Trade and Other Receivables

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

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

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

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Inventories

General

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

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

Land Held for Resale

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

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

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

(j) Fixed Assets

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

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 include 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 BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

I. 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.

Land Under Roads (continued)

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.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

I. 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 **		10-120
Drainage **	Underground Pipes	75
Airfields **		25-120
Bridges	Bridges	100
	Culverts	100
Footpaths	Footpath	45 - 80
Infrastructure Other **		10 - 120
Building		10 - 140
Furniture and Equipment		Mar-20
Plant and Equipment		3-Oct

Full reconstruction of the roads in the Shire are rare. A significant portion of the road pavement is retained and assists in strengthening the road pavement base and results in a lower cost of renewal.

This cost of renewal is considered to be 70% of a new road pavement therefore the Council considering the road pavement has two components, a pavement 70% and a sub-pavement which comprising 30% of the total pavement and are depreciated over a longer period.

The earthwork & formation asset constructed as part of a Road, Airfields, Car Parking and Drainage assets is considered to have an infinite life as it requires no renewal or replacement.

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 profit or loss in the period which they arise.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) 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. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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 in accordance with the regulatory framework. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards have been made in the budget as necessary.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

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 cost.

Amortised cost is calculated as:

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

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

(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.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

Non-derivative financial liabilities (excl. financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has 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 for 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 BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Impairment of Assets

In accordance with Australian Accounting Standards the Shire 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 166) 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.

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2017.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

(n) 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.

(o) 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 and salaries. 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 and salaries 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.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Long-Term Employee Benefits

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

The 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.

(p) 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.

(q) Provisions

Provisions are recognised when the Shire has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) 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.

(s) Interests in Associated

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 budget 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.

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.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The 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 19.

(u) 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.

(v) Comparative Figures

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

(w) Budget Comparative Figures

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

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

2. REVENUES AND EXPENSES	NOTE	2017/18 Budget \$	2016/17 Projected \$	2016/17 Budget \$
(a) Net Result				
The net result includes:				
(i) Charging as an expense:				
Auditors remuneration				
Audit services		31,050	31,260	31,050
Regulation 17 Biennial Review			12,010	15,000
Other services		25,650	13,457	25,650
Depreciation By Program				
Governance		0	0	0
General purpose funding		0	0	0
Law, order and public safety		24,126	21,590	27,654
Health		8,441	7,604	8,375
Education and welfare		101,675	91,590	102,165
Housing		304,264	274,087	307,688
Community amenities		190,130	176,340	156,409
Recreation and culture		1,780,558	1,718,913	1,716,807
Transport		4,112,283	4,395,340	4,034,674
Economic services		53,482	48,178	53,453
Other properties and services		799,567	544,290	870,707
		<u>7,374,526</u>	<u>7,277,932</u>	<u>7,277,932</u>
Depreciation By Asset Class				
Land and buildings		2,123,546	2,063,285	2,063,285
Furniture and equipment		337,676	223,936	223,936
Plant and equipment		393,682	573,974	573,974
Roads		2,397,178	2,320,804	2,320,804
Footpaths		145,827	146,472	146,472
Drainage		219,329	229,036	229,036
Bridges		396,615	396,499	396,499
Airfields		569,572	577,478	577,478
Other Infrastructure		763,667	746,450	746,450
		<u>7,347,092</u>	<u>7,277,934</u>	<u>7,277,934</u>
Interest Expenses (Finance Costs)				
- Debentures (refer note 7(a))		258,076	316,627	317,623
		<u>258,076</u>	<u>316,627</u>	<u>317,623</u>

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2017/18 Budget	Forecast 2016/17 Projected	2016/17 Budget
2. REVENUES AND EXPENSES (Continued)		\$	\$	\$
(ii) Crediting as revenues:				
Interest Earnings				
Investments				
- Reserve funds		220,800	217,543	225,000
- Other funds		94,596	128,454	88,635
Other interest revenue (<i>refer note 12</i>)		112,000	134,282	105,000
		<u>427,396</u>	<u>480,279</u>	<u>418,635</u>
(iii) Other Revenue				
Reimbursements and recoveries		12,429	16,134	12,306
Other		401,071	411,111	404,209
		<u>413,500</u>	<u>427,245</u>	<u>416,515</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

COMMUNITY 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 this budget encompass the following service orientated activities and programs:

GOVERNANCE

Objective:

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

Activities:

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

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER AND 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.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

EDUCATION AND WELFARE

Objective:

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

Activities:

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

HOUSING

Objective:

To provide and maintain staff and residential housing.

Activities:

Provision of staff and residential housing.

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

RECREATION AND CULTURE

Objective:

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

Activities:

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

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

TRANSPORT

Objective:

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

Activities:

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

Objective:

To monitor and control council's overheads operating accounts.

Activities:

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

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

3. 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. Estimated cash at the end of the reporting period is as follows:

	2017/18	2016/17	2016/17
	Budget	Projected	Budget
	\$	\$	\$
Cash - unrestricted	(1,591,082)	964,500	(760,492)
Cash - restricted	10,440,646	14,732,154	9,169,458
	<u>8,849,564</u>	<u>15,696,654</u>	<u>8,408,966</u>

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

Waste Management	977,670	801,635	33,269
Airport General	5,069,593	5,496,028	5,045,452
Plant and Equipment	53,034	2,976	3,004
Parking	123,339	120,961	122,107
Non-Potable Water	2,725	79,806	2,068
East Kimberley Tourism	167,463	154,427	155,522
Foreshore	237,256	291,023	181,088
Staff Entitlement	119,710	117,402	118,515
Recreation Hardcourts	56,856	55,760	56,288
Bio Security	261,225	256,189	258,617
Childcare	191,847	177,123	177,957
Parks	337,888	331,374	134,514
Footpaths	296,077	290,369	293,121
Asset Management	925,722	958,700	1,783,212
Goomig Farmlands Roads	561,011	555,511	556,633
Unspent Grants and Loans	407,578	3,424,733	24,827
Contiguous Local Authority Group (CLAG)	0	11,589	473
Kununurra Youth Hub	38,736	24,039	22,882
Regional Price Preference	3,932	0	200,000
Drainage Reserve	608,982	192,331	0
Capital Works	0	1,390,177	0
	<u>10,440,645</u>	<u>14,732,154</u>	<u>9,169,548</u>

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result	2017/18 Budget \$	2016/17 Projected \$	2016/17 Budget \$
Net result	5,052,825	1,616,931	(3,319,621)
Depreciation	7,374,526	7,277,932	7,277,932
(Profit)/loss on sale of asset	(20,251)	(22,777)	(27,328)
(Increase)/decrease in receivables	(27,434)	(300,558)	
(Increase)/decrease in inventories	0	(6,177)	0
Increase/(decrease) in payables	45,211	(1,901,732)	(9,832)
Increase/(decrease) in employee provisions		(230,396)	
Grants/contributions for the development of assets	(11,448,756)	(2,039,576)	(3,265,708)
Net Cash from Operating Activities	<u>976,121</u>	<u>4,393,647</u>	<u>655,443</u>
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank overdraft limit	2,500,000	2,500,000	2,500,000
Credit card limit	55,000	55,000	55,000
Total Amount of Credit Unused	<u>2,555,000</u>	<u>2,555,000</u>	<u>2,555,000</u>
Loan Facilities			
Loan facilities in use at balance date	<u>4,171,129</u>	<u>5,165,774</u>	<u>5,213,648</u>
Unused loan facilities at balance date	<u>197,290</u>	<u>536,017</u>	<u>0</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017/18 Budget \$	2016/17 Projected \$
4. NET CURRENT ASSETS			
Composition of estimated net current assets			
CURRENT ASSETS			
Cash - unrestricted	3(a)	(1,591,082)	964,500
Cash - restricted reserves	3(a)	10,440,646	14,732,154
Receivables		2,251,876	2,226,570
Inventories		20,753	20,753
		11,122,193	17,943,977
LESS: CURRENT LIABILITIES			
Trade and other payables		(683,676)	(638,465)
Long term borrowings		(875,550)	(1,042,517)
Provisions		(856,660)	(856,660)
		(2,415,886)	(2,537,642)
Unadjusted net current assets		8,706,307	15,406,335
Differences between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget excluded when calculating the budget deficiency in accordance with FM Reg 32 as movements for these items have been funded within the budget estimates. These differences are disclosed as adjustments below.			
Adjustments			
Less: Cash - restricted reserves	3(a)	(10,440,645)	(14,732,154)
Less: Current loans - clubs / institutions		2,128	0
Add: Current portion of debentures		875,550	1,042,517
Add: Current liabilities not expected to be cleared at end of year		856,660	856,660
Adjusted net current assets - surplus/(deficit)		(0)	2,573,358

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

5. ACQUISITION OF ASSETS

The following assets are budgeted to be acquired during the year.

Asset Class	Reporting Program											2016/17 Projected Total \$	
	Governance \$	General Purpose Funding \$	Law, Order and Public Safety \$	Health \$	Education and Welfare \$	Housing \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Economic Services \$	Other Properties and Services \$		2017/18 Budget Total \$
<i>Property, Plant and Equipment</i>													
Land and buildings	0	0	10,000	0	13,571	0	92,500	95,000	358,000	0	0	569,071	173,888
Furniture and equipment	0	0	0	0	0	0	70,000	415,000	222,000	0	233,450	940,450	91,056
Plant and equipment	0	0	0	0	0	0	0	0	157,089	0	761,884	918,973	677,185
Total Property, Plant and Equipment	0	0	10,000	0	13,571	0	162,500	510,000	737,089	0	995,334	2,428,494	942,129
<i>Infrastructure</i>													
Roads	0	0	0	0	0	0	0	0	12,206,244	0	0	12,206,244	1,656,633
Footpaths	0	0	0	0	0	0	0	0	190,000	0	0	190,000	0
Drainage	0	0	0	0	0	0	0	0	2,543,807	0	0	2,543,807	125,418
Bridges	0	0	0	0	0	0	0	0	201,074	0	0	201,074	208,926
Airfields	0	0	0	0	0	0	0	0	0	0	0	0	168,552
Other	0	0	0	0	0	0	90,000	393,650	425,000	0	0	908,650	686,675
Total Infrastructure	0	0	0	0	0	0	90,000	393,650	15,566,125	0	0	16,049,775	2,846,205
<i>Land Held for Resale</i>													
Land Held for Resale	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Acquisitions	0	0	10,000	0	13,571	0	252,500	903,650	16,303,214	0	995,334	18,478,269	3,788,334

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

- Forward Capital Works Program
- Plant Management Program

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

6. DISPOSALS OF ASSETS

The following assets are budgeted to be disposed of during the year.

	Licence #	2017/18 Budget			
		Net Book Value \$	Sale Proceeds \$	Profit \$	Loss \$
Law, order, public safety					
Recreation and culture					
Economic services					
Toyota Hilux Utility 4x4 Dual Cab	WY13935	11,510	12,000	490	-
Transport					
65 HP Massey Ferguson 4225	IAC1665	9,250	8,000	-	(1,250)
EHD 6' Slasher	0	-	1,500	1,500	-
Superior V19 Rotary Slasher	0	6,724	8,000	1,276	-
Other Property and Services					
Toyota Landcruiser Utility 4x4	WY25294	17,100	28,629	11,529	-
Toyota Landcruiser Prado 4x4 GXL	WY25064	15,620	28,779	13,159	-
Toyota Hilux Utility 4x4 Dual Cab	WY26689	10,194	19,822	9,628	-
Toyota Landcruiser Utility 4x4	WY25283	15,127	28,629	13,502	-
Toyota Landcruiser Prado 4x4 GXL	WY25454	17,538	28,779	11,241	-
Kubota BX2360DV Tractor	WY25658	12,706	7,894	-	(4,812)
John Deere Backhoe Loader	WY14004	61,038	35,376	-	(25,662)
Kubota M Series Tractor M135XDC	WY25031	51,760	41,410	-	(10,350)
		228,567	248,818	62,325	(42,074)
By Program					
Plant and Equipment		228,567	248,818	62,325	(42,074)
		228,567	248,818	62,325	(42,074)
By Class					

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

7. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Movement in debentures and interest between the beginning and the end of the current financial year.

Particulars	Principal 1-Jul-17	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2017/18 Budget \$	2016/17 Projected \$	2017/18 Budget \$	2016/17 Projected \$	2017/18 Budget \$	2016/17 Projected \$
Governance								
Administration Building Land	178,419		55,994	52,779	122,425	178,419	11,202	14,796
Administration Building Loan	1,490,987		248,530	239,301	1,242,457	1,490,987	67,457	78,735
Administration Building	1,234,740		138,694	134,611	1,096,046	1,234,740	59,526	66,427
Education and welfare								
Kununurra Childcare Centre	175,289		66,928	62,969	108,361	175,289	13,157	18,893
Housing								
Staff Housing	23,268		15,277	14,380	7,991	23,268	1,441	2,739
Staff Housing	46,686		14,994	14,453	31,692	46,686	2,034	2,731
Community amenities								
KNW Youth Centre	33,805		33,805	31,465	0	33,805	1,815	4,348
Liquid Waste Facility	105,112		105,113	101,628	(1)	105,112	3,253	7,843
Waste Management	1,258,375		158,097	151,646	1,100,278	1,258,375	65,015	73,187
Drainage	92,801		11,659	11,183	81,142	92,801	4,804	5,408
Recreation and culture								
KNX Aquatic Centre Refurbishment	130,012		85,357	80,348	44,655	130,012	8,053	15,301
WYN Recreation Centre	54,535		35,804	33,703	18,731	54,535	3,378	6,418
Multi Purpose Courts	91,457		44,464	42,070	46,993	91,457	5,551	8,562

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

7. INFORMATION ON BORROWINGS (Continued)

Particulars	Principal 1-Jul-17	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2017/18 Budget \$	2016/17 Projected \$	2017/18 Budget \$	2016/17 Projected \$	2017/18 Budget \$	2016/17 Projected \$
Transport								
Building and Infrastructure	250,288		27,801	26,901	222,487	250,288	10,394	11,239
	5,208,691	0	1,042,517	997,437	4,123,257	5,165,774	257,080	316,627
Self Supporting Loans								
Recreation and culture								
Ord River Sport Club	0	50,000	2,128	2,128	47,872	0	996	0
	0	50,000	2,128	2,128	47,872	0	996	0
Total	5,208,691	50,000	1,044,645	999,565	4,171,129	5,165,774	258,076	316,627

All debenture repayments will be financed by general purpose revenue with the exception of a proposed new loan for the Ord River Sports Club which will be self-supporting with the club reimbursing the principal and interest payments made by the Shire, subject to the Club meeting the Policy requirements.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

7. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

Particulars/Purpose	Amount Borrowed Budget	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used Budget	Balance Unspent \$
SS Loan - Ord River Sports Club	50,000	WATC	Debenture	10	9,169	3.32%	50,000	0
					9,169		50,000	0

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1 Jul 17 \$	Borrowed During Year \$	Expended During Year \$	Balance 30 Jun 17 \$	To Be Expended 2017/18 \$	Balance 30 Jun 18 \$
Administration Building Loan	L124 7 Dec 2012	38,389	-	38,389	-	10,000	10,000
Liquid Waste Facility	L125 16 May 2014	-	-	-	-	-	-
Waste Management	L126 16 May 2014	529,449	-	15,820	513,628	306,338	207,290
Drainage	L128 16 May 2014	55,389	-	33,000	22,389	22,389	-
Building and Infrastructure	L130 9 Jun 2015	167,891	-	167,891	-	-	-
		791,117	-	255,100	536,017	338,727	197,290

(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 as an ongoing facility. It is not anticipated that the Shire will need to utilise the facility during 2017/18.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

8. RATING INFORMATION - 2017/18 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2017/18 Budgeted Rate Revenue / Yield \$	2017/18 Budgeted Interim Rates \$	2017/18 Budgeted Back Rates \$	2017/18 Budgeted Total Revenue / Yield \$	2016/17 Projected \$
Differential general rate or general rate								
Gross rental value valuations								
GRV - Residential	0.0953	1,648	48,660,407	4,637,337	0	0	4,637,337	4,520,939
GRV - Other Vacant	0.1430	30	512,500	73,288	0	0	73,288	70,127
GRV - Commercial	0.1240	166	14,738,429	1,827,565	0	0	1,827,565	1,795,743
GRV - Industrial	0.1144	169	9,064,655	1,036,997	0	0	1,036,997	1,016,010
Unimproved value valuations								
UV - Rural Residential	0.0110	185	45,908,000	504,988	0	0	504,988	506,375
UV - Pastoral	0.0570	22	5,885,880	335,495	0	0	335,495	331,989
UV - Commercial/Industrial	0.0077	39	12,000,760	92,406	0	0	92,406	93,435
UV - Rural Agriculture 1	0.0116	79	60,482,309	701,595	0	0	701,595	724,995
UV - Rural Agriculture 2	0.0094	109	36,549,000	343,561	0	0	343,561	390,191
UV - Mining	0.2821	36	1,625,193	458,467	0	0	458,467	455,634
UV - Exploration and Prospecting	0.1411	25	388,690	54,844	0	0	54,844	38,397
UV - Other	0.0065	3	8,525,000	55,413	0	0	55,413	3,366
Sub-Totals		2,511	244,340,823	10,121,954	0	0	10,121,954	9,947,201

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

8. RATING INFORMATION - 2016/17 FINANCIAL YEAR (continued)

RATE TYPE	Minimum \$	Number of Properties	Rateable Value \$	2017/18 Budgeted Rate Revenue / Yield \$	2017/18 Budgeted Interim Rates \$	2017/18 Budgeted Back Rates \$	2017/18 Budgeted Total Revenue / Yield \$	2016/17 Projected \$
Minimum payment								
Gross rental value valuations								
GRV - Residential	1,112.00	43	369,567	47,816	0	0	47,816	49,455
GRV - Other Vacant	1,112.00	95	326,450	105,640	0	0	105,640	112,098
GRV - Commercial	1,112.00	20	111,725	22,240	0	0	22,240	18,683
GRV - Industrial	1,112.00	7	30,875	7,784	0	0	7,784	7,693
Unimproved value valuations								
UV - Rural Residential	1,112.00	-	0	0	0	0	0	0
UV - Pastoral	1,112.00	1	17,471	1,112	0	0	1,112	1,099
UV - Commercial/Industrial	1,112.00	20	320,200	22,240	0	0	22,240	26,376
UV - Rural Agriculture 1	1,112.00	1	10,000	1,112	0	0	1,112	1,099
UV - Rural Agriculture 2	1,112.00	-	-	0	0	0	0	0
UV - Mining	1,112.00	31	45,669	34,472	0	0	34,472	34,069
UV - Exploration and Prospecting	310.00	22	25963	6,820	0	0	6,820	4,840
UV - Other	1,112.00	-	-	0	0	0	0	0
Sub-Totals		240	1,257,920	249,236	0	0	249,236	255,412
TOTAL		2,751	245,598,743	10,371,190			10,371,190	10,202,613
Concessions								
Discounts (Note 13)								(58,646)
Ex-gratia Rates								0
Total amount raised from general rates				5,679			5,679	5,361
Specified area rates (Note 10)				10,376,869			10,376,869	10,149,327
Total Rates			10,376,869				10,376,869	10,149,327

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

8(a). RATING INFORMATION - 2017/18 FINANCIAL YEAR (CONTINUED)

All land except exempt land in the Shire of Wyndham East Kimberley is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire of Wyndham East Kimberley.

The general differential rates detailed above for the 2017/18 financial year have been proposed by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been proposed by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the local government services and facilities.

OBJECTIVES AND REASONS FOR DIFFERENTIAL RATING

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating. Included is an excerpt from the Council Policy CP/IN-3200 Strategic Rating which outlines the characteristics, objects of and reasons for differential rating.

Differential General Rate

Description	Characteristics	Objects Of	Reasons For
GRV - Residential	GRV valued land within the town site which is used primarily for residential purposes with the exception of Transient Accommodation, and as outlined in Appendix A of the Strategic Rating Policy.	This rate is to contribute to the service desired by the community.	The GRV differential rate for Residential will be the "base rate" from which all other differential rates that hold a GRV value will be calculated, recognising a 1.2% increase from 2016/17.
GRV - Other Vacant	GRV valued land within the town site which is deemed to be vacant land (unimproved land).	To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of the Council.	A higher rate is imposed as there is a different method used for the valuation of vacant land. It is also to signify that the Council prefers land to be developed. The encouragement of development is strategically important as it has a positive effect on local employment, economic diversity and further community returns from investment in the region.
GRV - Commercial	GRV valued land which is used primarily for commercial purposes, and may include land uses such as caravan parks, fast food outlets, hotels, restaurants, boarding houses or veterinary consulting rooms as outlined in Appendix A of the Strategic Rating Policy.	To raise additional revenue to contribute towards higher costs associated with commercial activity.	The commercial sector generates high pedestrian and traffic volumes resulting in a greater impact on the provision of services, facilities and infrastructure. This sector should therefore contribute a greater share of the costs associated with economic development and marketing programs which assist and facilitate economic growth in the region; road construction; maintenance and refurbishment including road drainage systems; roadside sweeping; landscaping; verge maintenance and street lighting.
GRV - Industrial	GRV valued land which is used primarily for industrial purposes and as outlined in Appendix A of the Strategic Rating Policy.	To raise additional revenue to contribute towards higher costs associated with industrial activity.	This sector generates high traffic volumes with heavy loads. This sector should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

8(a). RATING INFORMATION - 2017/18 FINANCIAL YEAR (CONTINUED)

Differential General Rate

Description	Characteristics	Objects Of	Reasons For
UV - Rural Residential	UV valued land located outside the gazetted town site that is zoned Rural Living, Rural Smallholding and Special Rural which is used primarily for or capable of being used primarily for rural residential purposes. Rural residential has the same meaning as the objectives of TPS7 and TPS6 for these Zones.	This rate is to contribute to the service desired by the community.	This is intended as a transitional rating differential category while the Shire work through a process to have these properties provided with a gross rental value instead of an unimproved value given the primary purpose is residential.
UV Pastoral	UV valued land located outside the gazetted town site which is used or capable of use primarily for pastoral purposes. Properties such as these have the characteristics of a commercial operation in an undeveloped and sparsely populated area. Pastoral purposes have the same meaning as defined in the Land Administration Act 1997.	To raise additional revenue to contribute towards higher costs associated with pastoral activity.	Due to the valuation being based generally on a lease value, the result is a low valuation over an extensive land area. The sector generates high traffic volumes with heavy loads and has the highest impact on the road infrastructure in particular, and should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment.
UV - Commercial/Industrial	UV valued land located outside the gazetted town site that is used primarily for, or capable of being used primarily for commercial, industrial and/or tourism purposes.	To raise additional revenue to contribute towards higher costs associated with commercial/industrial activity.	This sector generates high traffic volumes, and should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems and other infrastructure required, along with other costs associated with marketing and economic development. It should be noted that this is intended as a transitional rating differential category while the Shire work through a process to have these properties provided with a gross rental value instead of an unimproved value given the primary purpose is commercial, industrial and/or tourism and the land owners should have been contributing more equitably to these costs.
UV - Rural Agriculture 1	UV valued land located outside the gazetted town site which is zoned Rural Agriculture 1 or General Rural which is used or capable of being used primarily for extensive agriculture, agrobrestrey and/or horticulture purposes.	To raise additional revenue to contribute towards higher costs associated with activity in the Rural Agriculture 1 Zone.	It is recognised that this sector has a greater impact on the road infrastructure with the heavy loads that it generates. This sector should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems and other infrastructure required.
UV - Rural Agriculture 2	UV valued land located outside the gazetted town site which is zoned Rural Agriculture 2, which is used primarily for, or is capable of use primarily for intensive agriculture and/or horticulture purposes.	To raise additional revenue to contribute towards higher costs associated with activity in the Rural Agriculture 2 Zone.	This sector does have a high impact on infrastructure, but not to the extent of those properties zoned Rural Agriculture 1. Properties within the Rural Agriculture 2 zone should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems and other infrastructure required.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

8(a). RATING INFORMATION - 2017/18 FINANCIAL YEAR (CONTINUED)

Differential General Rate

Description	Characteristics	Objects Of	Reasons For
UV - Mining	UV valued land located outside the gazetted town site which is used primarily for mining purposes and encompasses mining leases, petroleum exploration permits and general purpose mining leases.	To raise additional revenue to contribute towards higher costs associated with mining activity.	The mining sector activities require a greater level of non-exclusive services than pastoral activities in the same location and their impact on the community is of a much greater intensity, particularly given the haulage of heavy machinery through the town and its impact on associated infrastructure and the provision of rest/truck parking areas and should contribute to a greater share of the costs of providing infrastructure across the Shire. Many of the mining tenements have very small values. In order to not only achieve compliance in relation to the number of properties on minimum payments, but to ensure that the minimum payment is reflective of the overall cost of providing services to the community a higher rate in the dollar is imposed.
UV - Exploration and Prospecting	UV valued land located outside the gazetted town site which is used primarily for mining purposes and encompasses exploration and prospecting licences.	To ensure that there is some equity in the application of the rate in the dollar to these licences, a 50% reduction in comparison to the UV Mining rate in the dollar has been applied.	Many of the mining tenements for exploration and prospecting have very small values and with exploration licences, it is understood that there is a requirement for the licence holder to return half of the land back to the State each year, however there is no such requirement for prospecting licences. Exploration and prospecting licences are considered to have a minimal impact on the cost of providing services, facilities and infrastructure across the Shire and could be considered to be vacant land and only when minerals are discovered is it anticipated that the property holder would seek to convert the property into a mining lease.
UV - Other	UV valued land located outside the gazetted town site which is not otherwise rated as Rural Residential, Pastoral, Commercial/Industrial, Rural Agriculture 1, Rural Agriculture 2, Mining or Mining Exploration and Prospecting.	To ensure that all property owners contribute a minimum amount for the provision of services, facilities and infrastructure regardless of property value.	In order to ensure that there is some equity in the application of the minimum payment to these licences, a 50% reduction in comparison to the UV Mining rate in the dollar has been applied.

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

8(a). RATING INFORMATION - 2017/18 FINANCIAL YEAR (CONTINUED)

Differential Minimum Payment

Description	Characteristics	Objects Of	Reasons For
General Minimum	UV valued land located outside the gazetted town site that is zoned Rural Living, Rural Smallholding and Special Rural which is used primarily for or capable of being used primarily for rural residential purposes. Rural residential has the same meaning as the objectives of TPS7 and TPS6 for these Zones.	<p>The Council will establish and maintain a minimum payment structure to ensure all ratepayers contribute a minimum amount regardless of their property value.</p> <p>The Council accepts that the adoption of a minimum payment amount is an adjustment to the blanket application of the equity principle. This adjustment is made to ensure property owners make a reasonable contribution to the non-exclusive services, facilities and infrastructure provided for the benefit of the whole district.</p> <p>The exception to this statement applies to those properties classified as UV Mining Exploration and Prospecting on the basis that the while the differential rate in the dollar reflects a similar methodology as that applied in the Valuation of Land Act 1978 when determining the unimproved valuations, the minimum payment will be determined at the maximum allowable amount (albeit this will always be a lesser amount than the minimum payments applied to other rating categories) to ensure the property numbers remain no more than 50% in accordance with the legislative requirements.</p>	<p>The minimum payment impacts mainly in the residential category and is imposed as there is a different method used for the valuation of vacant land. It is also to signify that the Council prefers land to be developed. The encouragement of development is strategically important as it has a positive effect on local employment, economic diversity and further community returns from investment in the region.</p>
UV Exploration and Prospecting	UV valued land located outside the gazetted town site that is zoned Rural Living, Rural Smallholding and Special Rural which is used primarily for or capable of being used primarily for rural residential purposes. Rural residential has the same meaning as the objectives of TPS7 and TPS6 for these Zones.	<p>The Council will establish and maintain a minimum payment structure to ensure all ratepayers contribute a minimum amount regardless of their property value.</p> <p>The Council accepts that the adoption of a minimum payment amount is an adjustment to the blanket application of the equity principle. This adjustment is made to ensure property owners make a reasonable contribution to the non-exclusive services, facilities and infrastructure provided for the benefit of the whole district.</p> <p>The exception to this statement applies to those properties classified as UV Mining Exploration and Prospecting on the basis that the while the differential rate in the dollar reflects a similar methodology as that applied in the Valuation of Land Act 1978 when determining the unimproved valuations, the minimum payment will be determined at the maximum allowable amount (albeit this will always be a lesser amount than the minimum payments applied to other rating categories) to ensure the property numbers remain no more than 50% in accordance with the legislative requirements.</p>	<p>Exploration and prospecting licences are considered to have a minimal impact on the cost of providing services, facilities and infrastructure across the Shire and could be considered to be vacant land and only when minerals are discovered is it anticipated that the property holder would seek to convert the property into a mining lease. In order to ensure that there is some equity in the application of the minimum payment to these licences, a 50% reduction in comparison to the UV Mining rate in the dollar has been applied.</p>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

8(a). RATING INFORMATION - 2017/18 FINANCIAL YEAR (CONTINUED)

Differential General Rates and Minimum Payments

A Public Notice pursuant to Section 6.36(1) of the Local Government Act 1995 was published in the Kimberley Echo on 4 May 2017.

Submissions from electors and ratepayers were invited up to 4.00pm on 26 May 2017.

Public Notice released 4th May 2016		Adopted Rate or Payment - 13 June 2017	
Differential Rating Category	Cents in the dollar	Dollars	Minimum Payment \$
GRV Residential	0.0953	0.0953	1,112
GRV Other Vacant	0.1430	0.1430	1,112
GRV Commercial	0.1239	0.1240	1,112
GRV Industrial	0.1144	0.1144	1,112
UV Rural Residential	0.0100	0.0110	1,112
UV Pastoral	0.0544	0.0570	1,112
UV Commercial/Industrial	0.0069	0.0077	1,112
UV Rural Agriculture 1	0.0097	0.0116	1,112
UV Rural Agriculture 2	0.0069	0.0094	1,112
UV Mining	0.2821	0.2821	1,112
UV Exploration and Prospecting	0.1411	0.1411	310
UV Other	0.0065	0.0065	1,112

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

8(a). RATING INFORMATION - 2017/18 FINANCIAL YEAR (CONTINUED)

**Waste Management Rate (Section 66(1) Waste Avoidance and Resource Recovery Act 2007)
Activity - Waste Management Charge (Minimum \$200)**

The Shire of Wyndham East Kimberley will again be raising an annual general rate under section 66(1) of the Waste Avoidance and Resource Recovery Act 2007 (WARR Act) and, in accordance with section 66(3) of the WARR Act, apply the minimum payment provisions of section 6.35 of the Local Government Act 1995. The rate is otherwise known as the Waste Management Charge. The minimum payment will be \$200 and capped at \$200.

All revenue collected from the Waste Management Charge is transferred to the Waste Management Reserve for the purposes of the provision of waste management services across the Shire.

RATE TYPE	Minimum Payment					
	General rate	Rate in \$ cents	Minimum Payment \$	Number of Properties	Rateable Value \$	2017/18 Budgeted Rate Revenue / Yield \$
GRV - Residential	0.0001		200	1691	49,029,974	338,200
GRV - Other Vacant	0.0001		200	125	838,950	25,000
GRV - Commercial	0.0001		200	186	14,850,154	37,200
GRV - Industrial	0.0001		200	176	9,095,530	35,200
UV - Rural Residential	0.0001		200	185	45,908,000	37,000
UV - Pastoral	0.0001		200	23	5,903,351	4,600
UV - Commercial/Industrial	0.0001		200	59	12,320,960	11,800
UV - Rural Agriculture 1	0.0001		200	80	60,492,309	16,000
UV - Rural Agriculture 2	0.0001		200	109	36,549,000	21,800
UV - Mining	0.0001		200	67	1,670,862	13,400
UV - Exploration and Prospecting	0.0001		200	47	414,653	9,400
UV - Other	0.0001		200	3	8,525,000	600
TOTAL WASTE MANAGEMENT CHARGE				2,751	245,598,743	550,200

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

9. CASH BACKED RESERVES

	2017/18 Budget			2016/17 Forecast Actual			2016/17 Budget		
	Opening Balance \$	Transfer to \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Closing Balance \$
Waste Management	801,635	569,245	977,670	530,390	533,018	801,635	(203,848)	(293,273)	33,269
Airport General	5,496,028	715,654	5,069,593	5,269,556	629,338	5,496,028	867,132	(1,091,236)	5,045,452
Plant and Equipment	2,976	50,058	53,034	2,929	47	2,976	75	0	3,004
Parking	120,961	2,378	123,339	119,069	1,892	120,961	3,038	0	122,107
Non-Potable Water	79,806	1,569	2,725	94,653	1,504	79,806	2,415	(95,000)	2,068
East Kimberley Tourism	154,427	13,036	167,463	141,902	13,163	154,427	13,620	0	155,522
Foreshore	291,023	101,233	237,256	283,301	98,696	291,023	102,721	(204,934)	181,088
Staff Entitlement	117,402	2,308	119,710	115,567	1,836	117,402	2,948	0	118,515
Recreation Hardcourts	55,760	1,096	56,856	54,888	872	55,760	1,400	0	56,288
Bio Security	256,189	5,036	261,225	252,183	4,006	256,189	6,434	0	258,617
Childcare	177,123	14,724	191,847	162,677	14,447	177,123	15,280	0	177,957
Parks	331,374	6,514	337,888	326,192	5,182	331,374	8,322	(200,000)	134,514
Footpaths	290,369	5,708	296,077	285,829	4,541	290,369	7,292	0	293,121
Asset Management	958,700	(32,978)	925,722	974,981	145,662	958,700	1,421,263	(613,032)	1,783,212
Goomig Farmlands Roads	555,511	5,500	561,011	551,633	3,878	555,511	5,000	0	556,633
Unspent Grants and Loans	3,424,733	3,565,178	407,578	1,885,512	4,232,507	3,424,733	3,786,057	(5,646,742)	24,827
Contiguous Local Authority Group (CLAG)	11,589	3,228	14,817	461	30,568	11,589	20,740	(20,728)	473
Kununurra Youth Hub	24,039	18,997	38,736	9,125	18,356	24,039	18,757	(5,000)	22,882
Regional Price Preference	0	3,932	3,932	0	0	0	200,000	0	200,000
Drainage	192,331	416,651	608,982	192,331	208,183	192,331	0	0	0
Capital Works	1,390,177	0	1,390,177	0	1,390,177	1,390,177	0	0	0
	14,732,154	5,469,067	10,440,645	11,060,847	7,337,871	14,732,154	6,278,646	(8,169,945)	9,169,548

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

9. CASH BACKED RESERVES (Continued)

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

Reserve Title	Purpose of the Reserve
Waste Management	To provide for the operation, maintenance, renewal and upgrade of existing and new waste management facilities within the Shire of Wyndham East Kimberley.
Airport General	To provide for the operation, maintenance, renewal and upgrade of existing and new airport facilities within the Shire of Wyndham East Kimberley.
Plant and Equipment	To provide for the plant management program.
Parking	This Reserve is for the land purchase and/or the construction and maintenance of vehicle parking facilities with the Shire.
Non-Potable Water	This reserve is for the development of non-potable water supply in Wyndham.
East Kimberley Tourism	To provide for the maintenance, renewal, upgrade of existing and new civic buildings within the Shire of Wyndham East Kimberley.
Foreshore	To hold lease and licence payments from occupiers of the Lake Kununurra Foreshore Reserve to provide for the implementation of specific actions outlined in the Lake Kununurra Foreshore and Aquatic Use Plan 2012.
Staff Entitlement	This reserve is to provide for Shire employee entitlements.
Recreation Hardcourts	This Reserve is for purpose of providing for future capital upgrade of Recreational Hardcourts.
Bio Security	To hold funds for use in emergency situations that threaten the bio security of the East Kimberley.
Childcare	To hold lease payments from the Kununurra Childcare Centre to provide for the significant maintenance and renewal of the building.
Parks	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.
Footpaths	To hold developer contributions for construction of footpaths after housing construction is completed in new subdivisions.
Asset Management	To provide for the ongoing maintenance, renewal, upgrade, replacement or development of Shire owned assets within the Shire of Wyndham East Kimberley.
Goomig Farmlands Roads	To provide for the second coat seal of roads within the Goomig Farmlands.
Unspent Grants and Loans	To provide a mechanism for restricting prepaid grants, conditional unspent grants and loan proceeds unspent at a particular financial year where the expenditure will be undertaken in future years.
Contiguous Local Authority Group (CLAG)	To hold funds received to be used for the ongoing management, funding and technical aspects of health-driven mosquito control in an effort to reduce the risk of mosquito-borne diseases within the boundaries of the Shire of Wyndham East Kimberley.
Kununurra Youth Hub	To hold lease payments from Kununurra Youth Hub to provide for the maintenance, renewal and upgrade of the building in accordance with the lease conditions.
Regional Price Preference	To fund the regional price preference applied, if any, for the procurement of goods and/or services that are supplied by a Regional Business in accordance with Council's Policy CP/FIN-3217 Regional Price Preference.
Drainage Reserve	To provide for the maintenance, renewal, upgrade of existing and new drainage Infrastructure within the Shire of Wyndham East Kimberley.
Capital Works	To ensure that funds allocated to Capital Works Projects remain available for future Capital Works if amounts are not expended at the end of a financial year.
Municipal Property Revaluation Reserve	To hold funds for the expenditure relating to Municipal property revaluation conducted every 4 years.
Election Expenditure Reserve	To hold funds for the expenditure relating to Council Elections conducted every 2 years.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

10. SPECIFIED AREA RATE - 2017/18 FINANCIAL YEAR

The Shire of Wyndham East Kimberley does not intend to impose a specified area rate under section 6.32(b)(i) of the *Local Government Act 1995* during the budget period.

11. SERVICE CHARGES - 2017/18 FINANCIAL YEAR

The Shire of Wyndham East Kimberley does not intend to impose a specified area rate under section 6.32(b)(i) of the *Local Government Act 1995* during the budget period.

12. INTEREST CHARGES AND INSTALMENTS - RATES AND SERVICE CHARGES - 2017/18 FINANCIAL YEAR

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
Option One				
Single full payment	8/09/2017	0	0.00%	9%
Option Two				
First instalment	8/09/2017	\$11.80	5.50%	9%
Second instalment	12/01/2018	\$11.80	5.50%	9%
Option Three				
First instalment	8/09/2017	\$11.80	5.50%	9%
Second instalment	10/11/2017	\$11.80	5.50%	9%
Third instalment	12/01/2018	\$11.80	5.50%	9%
Fourth instalment	16/03/2018	\$11.80	5.50%	9%
2017/18 Budget Revenue				
		\$	2016/17 Projected	\$
Instalment Plan Admin Charge Revenue		25,000	25,000	
Instalment Plan Interest Earned		52,000	55,868	
Unpaid Rates Interest Earned		60,000	78,414	
		137,000	159,282	

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS
- 2017/18 FINANCIAL YEAR

Rates Discounts

The Shire of Wyndham East Kimberley did not provide rates discounts for 2016/17 and does not intend to provide rates discounts for 2017/18.

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Disc. % or Amount (\$)	2017/18 Budget \$	2016/17 Projected \$	Circumstances in which the Waiver or Concession is Granted
Rates					
A4993 Lake Kununurra Golf Club	Rates Concession	100%	0	9,519	Ordinary Council Meeting held on the 28 February 2017 - Minute No: 28/02/2017-
A7561 Ord River Sailing Club	Rates Concession	100%	0	2,210	11619 the Council resolved to rescind the Council's policy CP/FIN-3209 Rates
A2859 Kununurra Race Club Inc.	Rates Concession	100%	0	3,399	Concession (Rateable Land) and offer Rates Assistance Grants in accordance with the Council's policy CP/COM-3582 Community Grants Scheme.
A7620 Kununurra Agricultural Society	Rates Concession	100%	0	3,534	
A1160 Ord River Sports Club	Rates Concession	100%	0	9,805	
A1072 Kununurra Progress Association	Rates Concession	100%	0	20,335	
A502 Wyndham Gardens Inc.	Rates Concession	100%	0	1,975	
A2866 Ord River Pistol Club Inc.	Rates Concession	100%	0	2,230	
A5621 Kununurra Speedway Inc.	Rates Concession	100%	0	1,788	
A7566 Kununurra Water Ski Club	Rates Concession	100%	0	2,009	
A5616 Kununurra Motocross Club Inc.	Rates Concession	100%	0	1,816	
Sub-Total Rates Concessions			0	58,620	
Fees and Charges					
A4993 Lake Kununurra Golf Club	Waste Management Charge Waiver	100%	0	200	In accordance with the Council's policy CP/COM-3582 Community Grants Scheme, the Rates Assistance Grant is only applicable to rates, and not to service charges, the waste management charge, and/or the Emergency Services Levy.
A7561 Ord River Sailing Club	Waste Management Charge Waiver	100%	0	200	
A2859 Kununurra Race Club Inc.	Waste Management Charge Waiver	100%	0	200	
A7620 Kununurra Agricultural Society	Waste Management Charge Waiver	100%	0	200	
A1072 Kununurra Progress Association	Waste Management Charge Waiver	100%	0	200	
A502 Wyndham Gardens Inc.	Waste Management Charge Waiver	100%	0	200	
A2866 Ord River Pistol Club Inc.	Waste Management Charge Waiver	100%	0	200	
A5621 Kununurra Speedway Inc.	Waste Management Charge Waiver	100%	0	200	
A7566 Kununurra Water Ski Club	Waste Management Charge Waiver	100%	0	200	
A5616 Kununurra Motocross Club Inc.	Waste Management Charge Waiver	100%	0	200	Adopted at the Ordinary Council Meeting held on the 28 February 2017 - Minute No: 28/02/2017-11619
Sub-Total Fees and Charges - Waste Management Charge Waivers			0	2,000	

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS (Continued)
- 2017/18 FINANCIAL YEAR

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Disc % or Amount (\$)	2017/18 Budget \$	2016/17 Projected \$	Circumstances in which the Waiver or Concession is Granted	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Fees and Charges							
All community members in Wyndham and Kununurra.	Domestic Waste Disposal Fees Waiver	100% for one weekend per annum.	72,000	35,700	The waiver is granted to all community members disposing of domestic waste for two weekend per annum.	To provide the community with an opportunity to dispose of domestic waste for free over a weekend that will coincide with another National Clean Up Day, and to bring a level of pride into the community. <i>Note that this waiver will affect the Municipal Account and is funded via rates.</i>	The Shire of Wyndham East Kimberley recognises the value and importance of the community for the East Kimberley to be a thriving community with opportunities for all.
1. GRV Residential Properties; a. if a domestic waste collection service is being provided - a Yellow Domestic Waste Voucher; 2. GRV Rural Residential Properties; 3. UV Rural Agriculture 1; a. if a domestic waste collection service is being provided - a Yellow Domestic Waste Voucher; 4. UV Rural Agriculture 2; a. if a domestic waste collection service is being provided - a Yellow Domestic Waste Voucher; <i>Note: If any properties were offered a domestic waste service but declined, then no waste voucher will be provided.</i>	Domestic Waste Disposal Fees Waiver	\$54.00 per Yellow Domestic Waste Voucher;	34,200	117,089	1. A Yellow Domestic Waste Voucher entitles the user to dispose of 1 cubic metre (6x4 trailer plus 1 Sulo bin, or 4 Sulo bins, or 16 domestic bin bags) of domestic waste per annum. As part of introducing fees for waste disposal at the landfills, the Council determined to provide tip vouchers to ratepayers to dispose of a certain amount of domestic waste for free throughout the year. Note that this waiver does not affect the Municipal Account, but is funded through the Waste Management Reserve therefore impacting on the whole of life cost assessment for the landfills.	As part of introducing fees for waste disposal at the landfills, the Council determined to provide tip vouchers to ratepayers to dispose of a certain amount of domestic waste for free throughout the year.	
Sub-Total - Domestic Waste Disposal Fees Waivers			106,200	152,789			
TOTAL DISCOUNTS, WAIVERS AND CONCESSIONS			106,200	213,409			

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

14. FEES & CHARGES REVENUE	2017/18 Budget \$	2016/17 Projected \$
Governance	2,800	5,510
General purpose funding	46,667	45,356
Law, order and public safety	44,950	34,720
Health	92,117	73,287
Education and welfare	11,242	11,862
Housing	165,540	130,253
Community amenities	2,825,715	2,656,100
Recreation and culture	606,463	515,619
Transport	4,166,739	3,780,652
Economic services	111,500	110,773
Other properties and services	0	0
	<u>8,073,733</u>	<u>7,364,132</u>

15. ELECTED MEMBERS REMUNERATION	2017/18 Budget \$	2016/17 Projected \$
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The following fees, expenses and allowances were paid to Council members and/or the President.

Meeting fees	103,833	154,366
President's allowance	30,315	13,233
Deputy President's allowance	7,579	3,867
Travelling expenses	1,000	0
Child care expenses	6,500	5,077
Telecommunications allowance	14,913	0
	<u>164,140</u>	<u>176,543</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

16. TRUST FUNDS

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

Detail	Balance 1-Jul-17 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-18 \$
Housing Bond	1,000	0	0	1,000
Councillor Nomination Fees	0	0	0	0
ASIC - Airport Security Card	4,540	0	(100)	4,440
Footpath Bonds	44,590	0	0	44,590
Hall Hire Bonds - Kununurra Leisure Centre	9,550	6,000	(6,000)	9,550
Hall Hire Bonds - Peter Reid Memorial Hall	120	6,120	(6,000)	240
Wyndham Port Hall Bond	9,750	0	0	9,750
Wyndham Oval Hire Bonds	200	0	(200)	0
Kununurra Youth Centre Bond	2,500	0	(250)	2,250
Other	2,960	2,301	(1,151)	4,110
Public Open Space Contributions	433,557	0	0	433,557
Building Services Levy	11,218	21,500	(20,300)	12,418
Building & Construction Industry Training Fund	12,796	42,862	(36,464)	19,194
Kimberley Aboriginal Community Housing	0	0	0	0
Kununurra 50th Birthday Brick Fund	0	0	0	0
50th Anniversary Special Series Number Plates	0	0	0	0
Terminal Security Access Cards	635	0	0	635
Bus Hire Bond	0	0	0	0
Health Application Fee	245	0	0	245
Private Works Bonds	0	0	0	0
	533,661	78,783	(70,465)	541,979

**SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

17. MAJOR LAND TRANSACTIONS

It is not anticipated that any major land transactions will occur in 2017/18.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated that any trading undertakings or major trading undertakings will occur in 2017/18.

19. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated that the Shire of Wyndham East Kimberley will have any interests in joint arrangements in 2017/18.

20. STAFF ESTABLISHMENT

The number of Full Time Equivalent Staff in the table below incorporates the assumption that the positions will be filled for the full full year (does not take into account vacancies). It also includes any new positions for a portion of the year taking into account the time to recruit for the role.

	2017/18 Budget	2016/17 Budget
Full Time Equivalent Staff	100.4	96.04