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SHIRE OF WYNDHAM | EAST KIMBERLEY

BUDGET

2018

2017

SHIRE of WYNDHAM EAST KIMBERLEY

2017-18 Budget

Contact Details:

Chief Executive Officer
PO Box 614
KUNUNURRA WA 6743

Kununurra Administration

20 Coolibah Drive
KUNUNURRA

Phone: 08 9168 4100
Fax: 08 9168 1798

Wyndham Administration

Koolama Street
WYNDHAM

Phone: 08 9161 1002
Fax: 08 9161 1295

Email: mail@swek.wa.gov.au

Website: www.swek.wa.gov.au

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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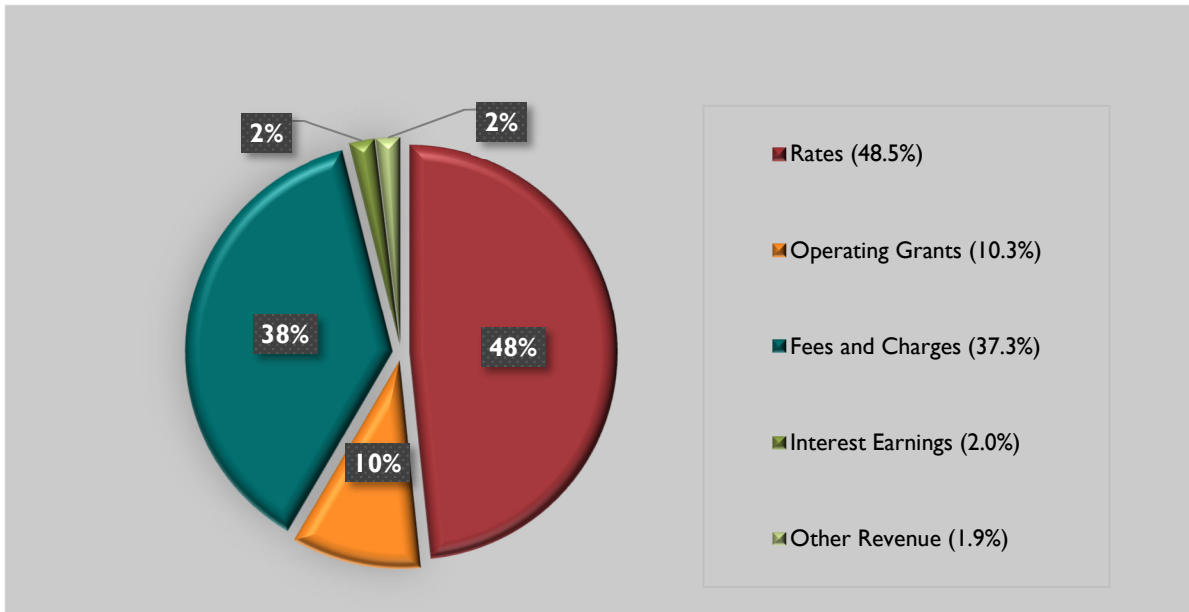
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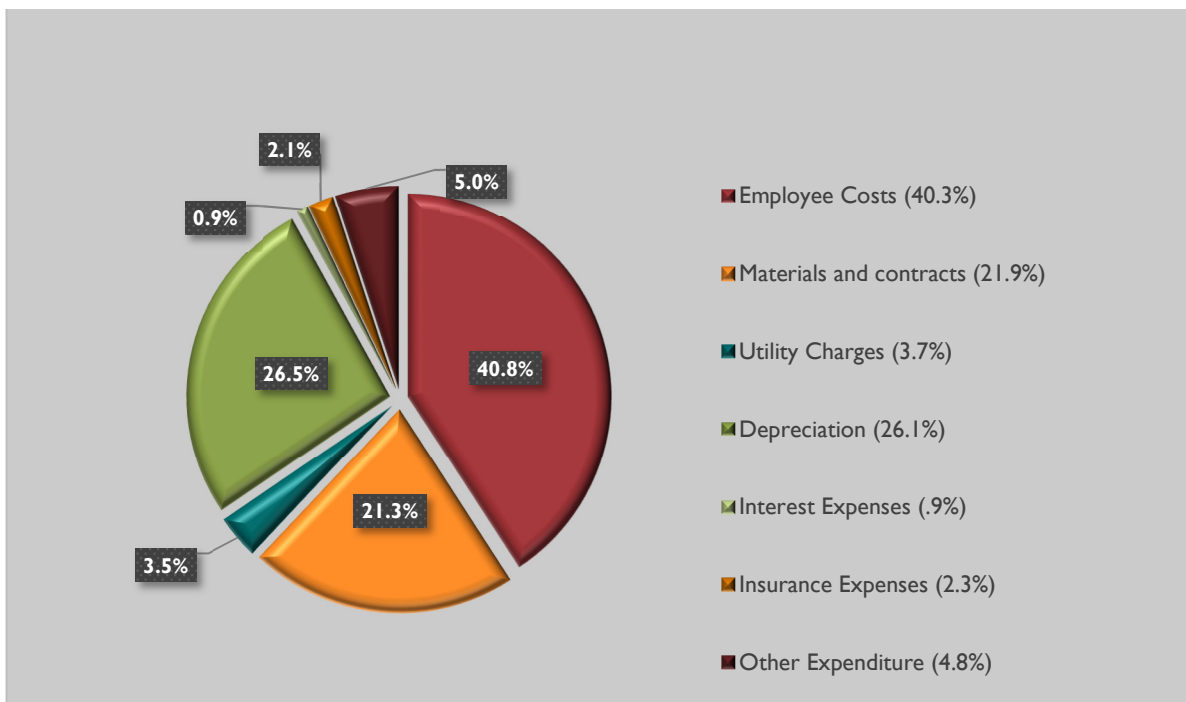
SHIRE of WYNDHAM EAST KIMBERLEY 2017-18 Budget

Operating Revenue

Excludes non+operating revenue

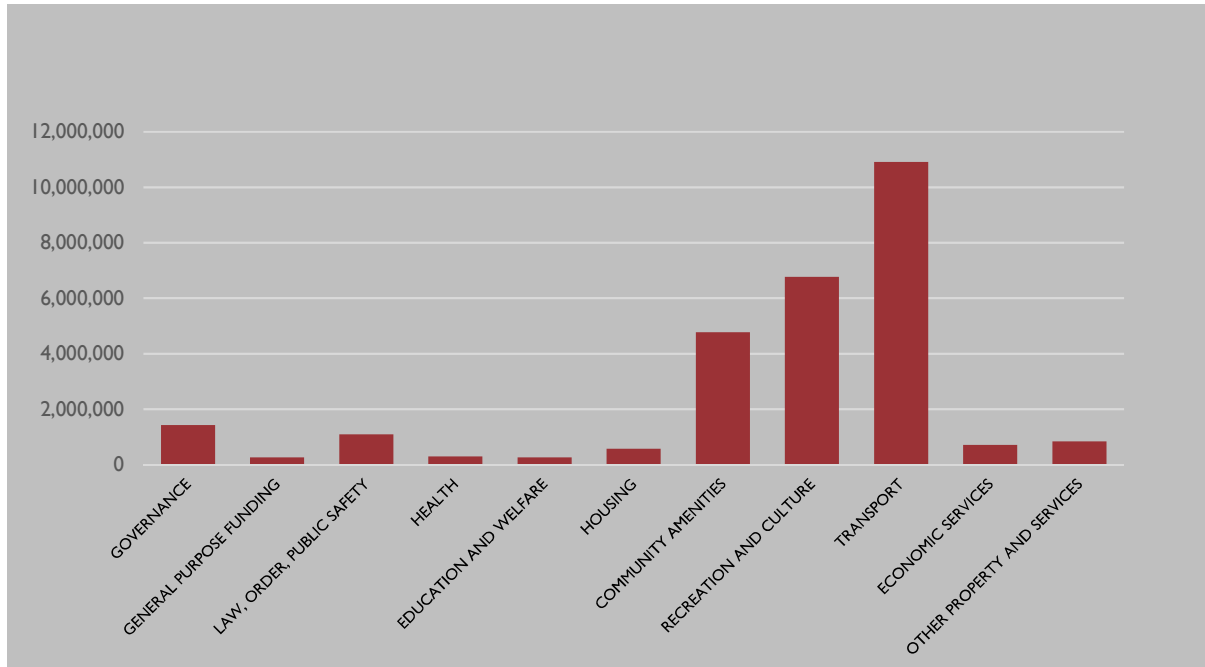


Operating Expenditure

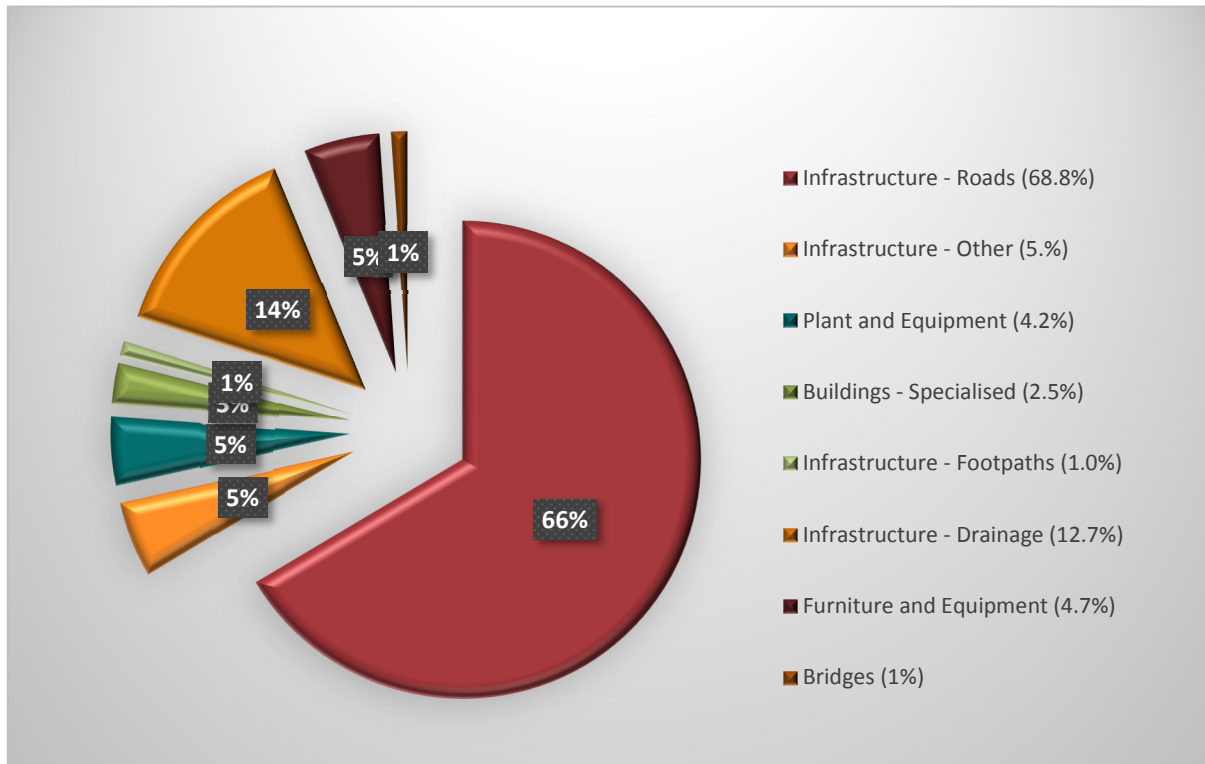


SHIRE of WYNDHAM EAST KIMBERLEY 2017-18 Budget

Operating Expenditure by Program



Capital Expenditure by Asset Class



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

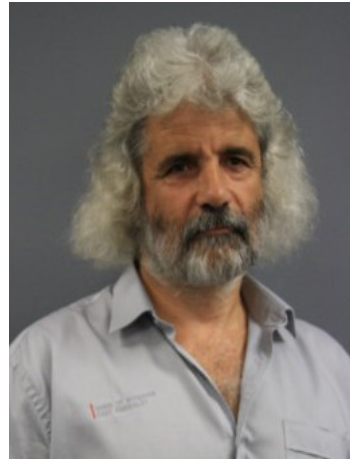
Executive Staff

Chief Executive Officer



Carl Askew

Director of Infrastructure



David Klye

**Director of Community
Development**



Louise Gee

Director of 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 | 2016/17 | 2016/17 |
|--|------|---------------------|---------------------|---------------------|
| | | Budget | Projected | 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 |
| | | <u>21,456,588</u> | <u>24,755,960</u> | <u>23,237,858</u> |
| 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) |
| | | <u>(27,614,694)</u> | <u>(24,884,753)</u> | <u>(29,532,892)</u> |
| 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) |
| | | <u>(258,076)</u> | <u>(316,629)</u> | <u>(317,623)</u> |
| 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 |
| | | <u>11,448,756</u> | <u>2,039,576</u> | <u>3,265,708</u> |

**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)

| | 2017/18 | 2016/17 | 2016/17 |
|--|------------------|------------------|------------------|
| (b) Reconciliation of Net Cash Provided By Operating Activities to Net Result | Budget | Projected | 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 | | | | | | | | | | | 2017/18 Budget Total \$ | 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 \$ | | |
| <i>Property, Plant and Equipment</i> | | | | | | | | | | | | 0 | |
| 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.

| By Program | 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 | IACI665 | 9,250 | 8,000 | - | (1,250) |
| EHD 6' Slasher | 0 | - | 1,500 | 1,500 | - |
| Superior VI9 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 MI35XDC | WY25031 | 51,760 | 41,410 | - | (10,350) |
| | | 228,567 | 248,818 | 62,325 | (42,074) |
| By Class | | | | | |
| Plant and Equipment | | 228,567 | 248,818 | 62,325 | (42,074) |
| | | 228,567 | 248,818 | 62,325 | (42,074) |

**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 L122 | 178,419 | | 55,994 | 52,779 | 122,425 | 178,419 | 11,202 | 14,796 |
| Administration Building Loan L124 | 1,490,987 | | 248,530 | 239,301 | 1,242,457 | 1,490,987 | 67,457 | 78,735 |
| Administration Building L129 | 1,234,740 | | 138,694 | 134,611 | 1,096,046 | 1,234,740 | 59,526 | 66,427 |
| Education and welfare | | | | | | | | |
| Kununurra Childcare Centre L120 | 175,289 | | 66,928 | 62,969 | 108,361 | 175,289 | 13,157 | 18,893 |
| Housing | | | | | | | | |
| Staff Housing L115 | 23,268 | | 15,277 | 14,380 | 7,991 | 23,268 | 1,441 | 2,739 |
| Staff Housing L127 | 46,686 | | 14,994 | 14,453 | 31,692 | 46,686 | 2,034 | 2,731 |
| Community amenities | | | | | | | | |
| KNW Youth Centre L118 | 33,805 | | 33,805 | 31,465 | 0 | 33,805 | 1,815 | 4,348 |
| Liquid Waste Facility L125 | 105,112 | | 105,113 | 101,628 | (1) | 105,112 | 3,253 | 7,843 |
| Waste Management L126 | 1,258,375 | | 158,097 | 151,646 | 1,100,278 | 1,258,375 | 65,015 | 73,187 |
| Drainage L128 | 92,801 | | 11,659 | 11,183 | 81,142 | 92,801 | 4,804 | 5,408 |
| Recreation and culture | | | | | | | | |
| KNX Aquatic Centre Refurbishment L113 | 130,012 | | 85,357 | 80,348 | 44,655 | 130,012 | 8,053 | 15,301 |
| WYN Recreation Centre L114 | 54,535 | | 35,804 | 33,703 | 18,731 | 54,535 | 3,378 | 6,418 |
| Multi Purpose Courts L119 | 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 L130 | 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 New | 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 | | 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 | Minimum \$ | | | | | | | |
| 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 | | | | | | | 0 | (58,646) |
| Discounts (Note 13) | | | | | | | 0 | 0 |
| Ex-gratia Rates | | | | 5,679 | | | 5,679 | 5,361 |
| Total amount raised from general rates | | | | 10,376,869 | | | 10,376,869 | 10,149,327 |
| Specified area rates (Note 10) | | | | | | | 0 | 0 |
| 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/FIN-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, agroforestry 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. | <p>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.</p> <p>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.</p> |
| 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> | 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. |
| 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> | 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. |

**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 | | |
|--|----------------------------|---------------------------|
| Differential Rating Category | Cents in the dollar | Minimum Payment \$ |
| GRV Residential | 0.0953 | 1,112 |
| GRV Other Vacant | 0.1430 | 1,112 |
| GRV Commercial | 0.1239 | 1,112 |
| GRV Industrial | 0.1144 | 1,112 |
| UV Rural Residential | 0.0100 | 1,112 |
| UV Pastoral | 0.0544 | 1,112 |
| UV Commercial/Industrial | 0.0069 | 1,112 |
| UV Rural Agriculture 1 | 0.0097 | 1,112 |
| UV Rural Agriculture 2 | 0.0069 | 1,112 |
| UV Mining | 0.2821 | 1,112 |
| UV Exploration and Prospecting | 0.1411 | 310 |
| UV Other | 0.0065 | 1,112 |

| Adopted Rate or Payment - 13 June 2017 | | |
|---|----------------|---------------------------|
| Differential Rating Category | Dollars | Minimum Payment \$ |
| GRV Residential | 0.0953 | 1,112 |
| GRV Other Vacant | 0.1430 | 1,112 |
| GRV Commercial | 0.1240 | 1,112 |
| GRV Industrial | 0.1144 | 1,112 |
| UV Rural Residential | 0.0110 | 1,112 |
| UV Pastoral | 0.0570 | 1,112 |
| UV Commercial/Industrial | 0.0077 | 1,112 |
| UV Rural Agriculture 1 | 0.0116 | 1,112 |
| UV Rural Agriculture 2 | 0.0094 | 1,112 |
| UV Mining | 0.2821 | 1,112 |
| UV Exploration and Prospecting | 0.1411 | 310 |
| UV Other | 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 | General rate | Minimum Payment | | | |
|--------------------------------------|------------------|--------------------|----------------------|--------------------|--|
| | 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 \$ | Transfer (from) \$ | Closing Balance \$ | Opening Balance \$ | Transfer to \$ | Transfer (from) \$ | Closing Balance \$ | Opening Balance \$ | Transfer to \$ | Transfer (from) \$ | Closing Balance \$ |
| Waste Management | 801,635 | 569,245 | (393,209) | 977,670 | 530,390 | 533,018 | (261,773) | 801,635 | 530,390 | (203,848) | (293,273) | 33,269 |
| Airport General | 5,496,028 | 715,654 | (1,142,089) | 5,069,593 | 5,269,556 | 629,338 | (402,865) | 5,496,028 | 5,269,556 | 867,132 | (1,091,236) | 5,045,452 |
| Plant and Equipment | 2,976 | 50,058 | 0 | 53,034 | 2,929 | 47 | 0 | 2,976 | 2,929 | 75 | 0 | 3,004 |
| Parking | 120,961 | 2,378 | 0 | 123,339 | 119,069 | 1,892 | 0 | 120,961 | 119,069 | 3,038 | 0 | 122,107 |
| Non-Potable Water | 79,806 | 1,569 | (78,650) | 2,725 | 94,653 | 1,504 | (16,350) | 79,806 | 94,653 | 2,415 | (95,000) | 2,068 |
| East Kimberley Tourism | 154,427 | 13,036 | 0 | 167,463 | 141,902 | 13,163 | (638) | 154,427 | 141,902 | 13,620 | 0 | 155,522 |
| Foreshore | 291,023 | 101,233 | (155,000) | 237,256 | 283,301 | 98,696 | (90,974) | 291,023 | 283,301 | 102,721 | (204,934) | 181,088 |
| Staff Entitlement | 117,402 | 2,308 | 0 | 119,710 | 115,567 | 1,836 | 0 | 117,402 | 115,567 | 2,948 | 0 | 118,515 |
| Recreation Hardcourts | 55,760 | 1,096 | 0 | 56,856 | 54,888 | 872 | 0 | 55,760 | 54,888 | 1,400 | 0 | 56,288 |
| Bio Security | 256,189 | 5,036 | 0 | 261,225 | 252,183 | 4,006 | 0 | 256,189 | 252,183 | 6,434 | 0 | 258,617 |
| Childcare | 177,123 | 14,724 | 0 | 191,847 | 162,677 | 14,447 | (0) | 177,123 | 162,677 | 15,280 | 0 | 177,957 |
| Parks | 331,374 | 6,514 | 0 | 337,888 | 326,192 | 5,182 | 0 | 331,374 | 326,192 | 8,322 | (200,000) | 134,514 |
| Footpaths | 290,369 | 5,708 | 0 | 296,077 | 285,829 | 4,541 | 0 | 290,369 | 285,829 | 7,292 | 0 | 293,121 |
| Asset Management | 958,700 | (32,978) | 0 | 925,722 | 974,981 | 145,662 | (161,944) | 958,700 | 974,981 | 1,421,263 | (613,032) | 1,783,212 |
| Goomig Farmlands Roads | 555,511 | 5,500 | 0 | 561,011 | 551,633 | 3,878 | 0 | 555,511 | 551,633 | 5,000 | 0 | 556,633 |
| Unspent Grants and Loans | 3,424,733 | 3,565,178 | (6,582,333) | 407,578 | 1,885,512 | 4,232,507 | (2,693,286) | 3,424,733 | 1,885,512 | 3,786,057 | (5,646,742) | 24,827 |
| Contiguous Local Authority Group (CLAG) | 11,589 | 3,228 | (14,817) | 0 | 461 | 30,568 | (19,440) | 11,589 | 461 | 20,740 | (20,728) | 473 |
| Kununurra Youth Hub | 24,039 | 18,997 | (4,300) | 38,736 | 9,125 | 18,356 | (3,442) | 24,039 | 9,125 | 18,757 | (5,000) | 22,882 |
| Regional Price Preference | 0 | 3,932 | 0 | 3,932 | 0 | 0 | 0 | 0 | 0 | 200,000 | 0 | 200,000 |
| Drainage | 192,331 | 416,651 | 0 | 608,982 | 0 | 208,183 | (15,852) | 192,331 | 0 | 0 | 0 | 0 |
| Capital Works | 1,390,177 | 0 | (1,390,177) | 0 | 0 | 1,390,177 | 0 | 1,390,177 | 0 | 0 | 0 | 0 |
| | 14,732,154 | 5,469,067 | (9,760,575) | 10,440,645 | 11,060,847 | 7,337,871 | (3,666,565) | 14,732,154 | 11,060,847 | 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 <i>CP/FIN-3217 Regional Price Preference</i> . |
| 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: 28/02/2017-11619 the Council resolved to rescind the Council's policy CP/FIN-3209 Rates Concession (Rateable Land) and offer Rates Assistance Grants in accordance with the Council's policy CP/COM-3582 Community Grants Scheme. |
| A7561 | Ord River Sailing Club | Rates Concession | 100% | 0 | 2,210 | |
| A2859 | Kununurra Race Club Inc. | Rates Concession | 100% | 0 | 3,399 | |
| 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. Adopted at the Ordinary Council Meeting held on the 28 February 2017 - Minute No: 28/02/2017-11619 |
| 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 | |
| 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. |
| <p>1. GRV Residential Properties; a. If a domestic waste collection service is being provided - a Yellow Domestic Waste Voucher;</p> <p>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;</p> <p>4. UV Rural Agriculture 2: a. If a domestic waste collection service is being provided - a Yellow Domestic Waste Voucher;</p> <p><i>Note: If any properties were offered a domestic waste service but declined, then no waste voucher will be provided.</i></p> | 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. | To provide a tip voucher for the disposal of a certain amount of domestic waste for free throughout the year. <i>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.</i> | 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 \$ |
|---|----------------------------------|-------------------------------------|
|---|----------------------------------|-------------------------------------|

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 |