



**MINUTES OF ORDINARY MEETING OF COUNCIL  
HELD ON 25 FEBRUARY 2014**

I hereby certify that the Minutes of the Ordinary Council Meeting held are a true and accurate record of the proceedings contained therein.

\_\_\_\_\_  
**Shire President Confirmed**

**Date:** \_\_\_\_\_



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**SHIRE OF WYNDHAM EAST KIMBERLEY  
AGENDA OF THE ORDINARY COUNCIL MEETING  
WYNDHAM COUNCIL CHAMBERS**

**HELD ON TUESDAY, 25 FEBRUARY 2014 AT 5:00 PM.**

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**1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The Shire President declared the meeting open at 5:00pm.

**2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE  
(PREVIOUSLY APPROVED)**

**ATTENDANCE**

Cr J Moulden	Shire President
Cr R Dessert	Deputy Shire President
Cr D Learbuch	Councillor
Cr K Wright	Councillor
Cr B Robinson	Councillor
Cr D Spackman	Councillor
Cr S Cooke	Councillor
Cr G Taylor	Councillor
Cr G King	Councillor
G Gaffney	Chief Executive Officer
N Octoman	Director Corporate Services
K Hannagan	Director Infrastructure
N Kearns	Director Community Development
M Tonkin	Executive Assistant to the Chief Executive Officer
S Halliday	Governance Officer (Minute Taker)

**GALLERY**

Wayne Richards	Manager Community & Youth
Peter Kerp	Manager Engineering Services
Leilani Steel	Wyndham CRC & Library Officer
Rob Drew	Wyndham Area Services Manager
Sgt Brad Warburton	WA Police
Christine McLaughlin	Member of the public
Catherine Atkins	Member of the public

**APOLOGIES**

Nil

**LEAVE OF ABSENCE PREVIOUSLY APPROVED**

Nil

### 3. DECLARATION OF INTEREST

- **Financial Interest**

Nil

- **Impartiality Interest**

Cr K Wright declares an Impartiality Interest to Item 17.1 – Lease Changes for Approval Kununurra Visitor Centre: Tourism House

- **Proximity Interest**

Nil

### 4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

### 5. PUBLIC QUESTION TIME

Nil

### 6. APPLICATIONS FOR LEAVE OF ABSENCE

Cr G King applies for a leave of absence for 4 March 2014

#### **COUNCIL DECISION**

**Minute No. 10332**

**Moved: Cr B Robinson**

**Seconded: Cr D Spackman**

**That Council grants Cr G King a leave of absence for the 4 March 2014 Special Council Meeting**

**Carried Unanimously 9/0**

### 7. PETITIONS

Nil

**8. CONFIRMATION OF MINUTES**

**8.1 CONFIRMATION OF MINUTES OF ORDINARY COUNCIL MEETING OF 28 JANUARY 2014**

**RECOMMENDATION**

That Council confirms the Minutes of the Ordinary Council Meeting held on 28 January 2014

**COUNCIL DECISION**

**Minute No. 10333**

**Moved: Cr K Wright  
Seconded: Cr D Learbuch**

**That Council confirms the Minutes of the Ordinary Council Meeting held on 28 January 2014**

**Carried Unanimously 9/0**

**9. ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION**

Formal farewell to Nick Kearns, Director Community Development

**Motion**

That the Shire of Wyndham East Kimberley note the passing of Pastor Ted Birch and send our condolences to his family

**COUNCIL DECISION**

**Minute No. 10334**

**Moved: Cr G King  
Seconded: Cr K Wright**

**The Shire of Wyndham East Kimberley note the passing of Pastor Ted Birch and send our condolences to his family.**

**Carried Unanimously 9/0**

**10. MATTERS FOR WHICH THE MEETING MAY BE CLOSED**

Nil

**11. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS / NOTICES OF MOTIONS**

Nil

**12. MINUTES OF COUNCIL COMMITTEE MEETINGS**

Nil

**13. REPORTS**

**13.1 MATTERS ARISING FROM COMMITTEES OF COUNCIL**

The Audit Committee Meeting was rescheduled from Tuesday 11 February 2014 to Monday 24 February 2014, therefore the Minutes are not available and a report will be provided by the Committee Chair at the Ordinary Council Meeting.

**RECOMMENDATION**

That Council adopts the recommendations from the Audit (Finance & Risk Committee Meeting held on 24 February 2014).

**COUNCIL DECISION**

**Minute No. 10335**

**Moved: Cr K Wright**

**Seconded: Cr B Robinson**

**That Council adopts the recommendations from the Audit (Finance & Risk Committee Meeting held on 24 February 2014.**

**Carried Unanimously 9/0**



# **AGENDA**

## **SHIRE OF WYNDHAM EAST KIMBERLEY**

**AUDIT (FINANCE AND RISK) COMMITTEE**

**KUNUNURRA COUNCIL CHAMBERS**

**MONDAY, 24 FEBRUARY 2014 AT 12:00PM**

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**1. DECLARATION OF OPENING**

**2. RECORD OF ATTENDANCE / APOLOGIES**

**3. DECLARATION OF INTEREST**

- Financial Interest
- Impartiality Interest
- Proximity Interest

**4. ACCEPTANCE OF MINUTES OF PREVIOUS MEETING**

**4.1 AUDIT (FINANCE AND RISK) COMMITTEE MEETING MINUTES 5 NOVEMBER 2013**

**RECOMMENDATION**

**That the minutes of the Audit (Finance and Risk) Committee meeting of 5 November 2013 be accepted as a true and accurate record of proceedings.**

**5. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS / NOTICES OF MOTIONS**

David Tomasi, VHY Haines Norton:  
Dialling in for discussion on 2012-13 Audited Financial Statements (Item 6.1)

## 6. OFFICER'S REPORTS

### 6.1 2012/13 AUDITED FINANCIAL STATEMENTS

<b>DATE:</b>	11 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Asanka Jayakody, Accountant
<b>REPORTING OFFICER:</b>	Natalie Octoman, Director Corporate Services
<b>FILE NO:</b>	FM.09.9

#### **PURPOSE**

To receive the 2012-13 Audited Financial Statements and Management Report issued by the Council's Auditors UHY Haines Norton, for recommendation to Council.

#### **BACKGROUND**

The Shire is required to prepare general purpose financial reports each year and refer them to the Shire's auditors as soon as practicable, and not later than 30 September following the end of the financial year. The Shire submitted the 2012-13 draft financial statements to UHY Haines Norton, the Shire's auditors, prior to 30 September, and on 21 January 2014, received an unqualified audit opinion.

The financial statements are prepared in accordance with Australian Accounting Standards; the Local Government Act 1995; and the Local Government (Financial Regulations) 1996. Management's responsibility is to prepare the financial statements in accordance with the Standards, Act, and Regulations and to ensure that the reports present fairly the financial performance and position of the Shire, free from material misstatement, whether due to fraud or error.

The role of the auditor is to provide an opinion based on their audit as to whether management has fulfilled these obligations. The auditors also prepare a separate, more detailed report for management identifying any issues arising from the conduct of the audit, and recommending any corrective actions. The report is provided to management for the inclusion of management comments in response to concerns raised.

Council's Audit (Finance and Risk) Committee recommended to Council that it be delegated authority to liaise with the auditor, and receive and examine the auditor's report and any management letters arising from the conduct of the audit.

#### **STATUTORY IMPLICATIONS**

##### **Local Government Act 1995**

##### *5.54 Acceptance of annual reports*

*(1) Subject to subsection (2), the annual report for a financial year is to be accepted\* by the local government no later than 31 December after that financial year.*

*\* Absolute majority required.*

*(2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.*

### 7.9. Audit to be conducted

- (1) An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —
  - (a) the mayor or president;
  - (b) the CEO of the local government; and
  - (c) the Minister.
- (2) Without limiting the generality of subsection (1), where the auditor considers that —
  - (a) there is any error or deficiency in an account or financial report submitted for audit;
  - (b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or
  - (c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,  
details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.
- (3) The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —
  - (a) prepare a report thereon; and
  - (b) forward a copy of that report to the Minister,  
and that direction has effect according to its terms.
- (4) If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government to be dealt with under section 7.12A.

### 7.12A. Duties of local government with respect to audits

- (1) A local government is to do everything in its power to —
  - (a) assist the auditor of the local government to conduct an audit and carry out his or her other duties under this Act in respect of the local government; and
  - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to —
  - (a) determine if any matters raised by the report, or reports, require action to be taken by the local government; and
  - (b) ensure that appropriate action is taken in respect of those matters.
- (4) A local government is to —
  - (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and
  - (b) forward a copy of that report to the Minister,  
by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.

## Local Government (Audit) Regulations 1996

### 10. Report by auditor

- 1) An auditor's report is to be forwarded to the persons specified in section 7.9(1) within 30 days of completing the audit.
- 2) The report is to give the auditor's opinion on —
  - (a) the financial position of the local government; and
  - (b) the results of the operations of the local government.
- 3) The report is to include —
  - (a) any material matters that in the opinion of the auditor indicate significant adverse trends in the financial position or the financial management practices of the local government; and
  - (b) any matters indicating non-compliance with Part 6 of the Act, the Local Government (Financial Management) Regulations 1996 or applicable financial controls in any other written law; and
  - (c) details of whether information and explanations were obtained by the auditor; and
  - (d) a report on the conduct of the audit; and
  - (e) the opinion of the auditor as to whether or not the following financial ratios included in the annual financial report are supported by verifiable information and reasonable assumptions —
    - (i) the asset consumption ratio; and
    - (ii) the asset renewal funding ratio.

(4A) In subregulation (3)(e) —

asset consumption ratio has the meaning given in the Local Government (Financial Management) Regulations 1996 regulation 50(2);

asset renewal funding ratio has the meaning given in the Local Government (Financial Management) Regulations 1996 regulation 50(2).

(4) Where it is considered by the auditor to be appropriate to do so, the auditor is to prepare a management report to accompany the auditor's report and to forward a copy of the management report to the persons specified in section 7.9(1) with the auditor's report.

### 16. Audit committee, functions of

An audit committee —

- (a) is to provide guidance and assistance to the local government —
  - (i) as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and
  - (ii) as to the development of a process to be used to select and appoint a person to be an auditor; and
- (b) may provide guidance and assistance to the local government as to —
  - (i) matters to be audited; and
  - (ii) the scope of audits; and
  - (iii) its functions under Part 6 of the Act; and
  - (iv) the carrying out of its functions relating to other audits and other matters related to financial management; and
- (c) is to review a report given to it by the CEO under regulation 17(3) (the **CEO's report**) and is to —
  - (i) report to the council the results of that review; and
  - (ii) give a copy of the CEO's report to the council.

[Regulation 16 inserted in Gazette 31 Mar 2005 p. 1043; amended in Gazette 8 Feb 2013 p. 867.]

## **POLICY IMPLICATIONS**

No policy implications apply in relation to this item.

## **FINANCIAL IMPLICATIONS**

The Original Budget for 2013-14 provided for a carry forward surplus from 2012-13 of \$6.069 million. This projected carry forward surplus plus the net movement in unrestricted assets for 2013-14 resulted in a projected closing balance as at 30 June 2014 of \$31,300 (surplus).

The finalisation of the 2012-13 annual financial statements has resulted in an actual surplus of only \$5.702 million, therefore resulting in an overall budget impact of approximately \$0.367 million.

The \$0.367 million shortfall will be sourced during the second quarter budget review that is currently underway and intended to be presented to the Audit (Finance and Risk) Committee and to Council in March 2014.

## **STRATEGIC IMPLICATIONS**

Objective 1.4: Business innovation, efficiency and improved service

Strategy 1.4.1: Ensure legislative compliance and follow best practice principles in planning and service delivery.

Strategy 1.4.3: Maintain Council's long term financial viability.

## **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

## **COMMENT**

### **Independent Audit Report**

For 2012-13, it is the Auditor's opinion that the financial reports of the Shire present fairly in all material respects, the Shire's financial position, performance, and cash flow for the year ended 30 June 2013; comply with Australian Accounting Standards and relevant legislation; and are prepared in accordance with the Local Government Act 1995 and associated Regulations.

### **Other Matters**

No adverse trends in financial position or financial management practices were noted. An issue of non-compliance with Local Government (Financial Management) Regulations 1996 (as amended) was noted:

### **Investment Policy**

The Council's Investment Policy regarding the restrictions on investment of money does not comply with the *Local Government (Financial Management) Regulations 1996*, section 19C.

### Management Response

The Investment policy CP FIN-3203 was revised in accordance with the amendment to the section 19C of the regulations and was presented to the Ordinary Council Meeting (item 13.2.4) on 19 November 2013. Council determined to defer the item for consideration at the next Audit (Finance and Risk) Committee meeting to review the amendments to the Policy (Minute No 10230).

The revised Investment policy CP FIN-3203 is presented to the Audit (Finance and Risk) Committee for review at its 11 February 2014 meeting as per the Council decision.

### **Annual Financial Report**

The Annual Report for the year ended 30 June 12 was not submitted to the Department of Local Government within 30 days of receiving the auditor's report required by section 51(2) of the *Local Government Financial Management Regulations 1996*

### Management Response

The documentation has since been provided to the Department retrospectively.

### **Management Report**

#### **Comment on Ratios**

The Auditors have noted that the Shire has two ratios outside the industry benchmarks and the Asset Renewal Funding Ratio has not been calculated as required by the *Local Government (Financial Management) Regulations 1996*. At this stage, the Shire does not have sufficient information available to perform the calculation of the Asset Renewal Funding Ratio accurately. The ratio is reliant upon information contained in Council's Long Term Financial Plan (LTFP) and Asset Management Plans, and requires the asset expenditure to be separated into components that reflect whether the spend is on new, renewal or upgrade. While asset expenditure is incorporated into the Council's LTFP, it does not identify this level of detail. It is expected that these details will be developed in the coming months as part of the budget development process, and therefore the ratio calculation will be available for inclusion in the 2013-14 financial statements.

The two ratios that are considered to be outside of the industry benchmarks include the Operating Surplus Ratio and the Asset Consumption Ratio. The Operating Surplus Ratio measures the Shire's financial sustainability having regard to asset management and the community's service level needs. Excluding significant revenue items for the initial recognition of land under the Shire's control would result in a negative ratio, indicating that the Shire is experiencing difficulties in maintaining its operational service level and asset base over the long term. In order to correct this position, management's focus needs to be continued upon unrestricted revenue generation and efficiencies that it can gain through operations.

The Asset Consumption Ratio is a new ratio that measures the average "aged" condition of the Shire's assets. As highlighted in past Elected Member briefing sessions, asset management is imperative, and as highlighted by the 0.50 ratio result, the Shire needs to continue investing in asset management so as to minimise the difficulty in maintaining the aged assets.

## **Long Service Leave Entitlements**

The Auditors highlighted that the issue raised in relation to long service leave entitlements has still not been addressed, and will need to be as soon as practicable. For explanatory purposes, the Shire had received and recorded long service leave entitlements for employees who previously worked for employers in other states of Australia. In these instances, the liability was matched by a cash payment, therefore not impacting on the Shire's resources. The Auditors highlight that there are no provisions that relate to the portability of long service leave from other states that are currently applicable, and were therefore suggesting that a Policy should be developed to ensure that the appropriate accounting treatment of such entitlements is highlighted, and that the practice should not occur in future.

### Management Response

The new Administrative Policy for Shire Long Service Leave Entitlements is currently being developed and will be presented as a separate item to the Audit (Risk and Finance) Committee for review and comment.

## **Notice of Annual Elector's Meeting**

The Auditors highlighted the requirement to advertise the Annual General Meeting of Electors in a local newspaper to ensure appropriate compliance with the requirements of the *Local Government Act 1995*.

### Management Response

The Shire has made necessary internal procedural changes to publish the Annual General Meeting notice in the local newspaper to ensure the full compliance with *Local Government Act 1995*.

## **Notice of Availability of Annual Report**

The Auditors outlined that local public notice was not provided in relation to the availability of the annual report as required by legislation.

### Management Response

Necessary internal procedural changes have been made to give local public notice in respect to the availability of Annual Report in the future to ensure the compliance with *Local Government Act 1995*.

## **Uncorrected misstatements**

Nil.

## **Other Significant Accounting Policies and Legislative Changes**

### **Implementation of Fair Value**

Effective from 1 July 2012, the *Local Government (Financial Management) Regulations 1996* were amended and the measurement of non-current assets at fair value became mandatory.

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

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

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

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

As a result the Shire recognised revaluation increase \$808,168 in plant and equipment and reduction of fair value \$111,314 for furniture and equipment in the 2012/13 financial report.

### **Recognition of Land under Control**

In accordance with *Local Government (Financial Management) Regulations 1996* 16(a) and 16(b) the Council is required to recognise as an asset:

- a) Crown land operated by the Shire as a golf course, showground, race course, or other sporting or recreational facility of State or regional significance; and
- b) any structures or improvements on the land referred to in paragraph (a)

Under this regulation the following land has been recognised as at 30 June 2013:

- Wyndham Race Course (Crown Reserve R-24857)	\$540,696
- Wyndham Golf Course (Crown Reserve R-33685)	\$386,820
- Wyndham Recreation and Stables (Crown Reserve R-32816)	-
- Kununurra Race Course (Crown Reserve R-30290)	\$2,443,042
- Kununurra Golf Course (Crown Reserve R- 29167)	\$1,817,289
- Kununurra Showgrounds (Crown Reserve R-29799)	\$1,314,145
<b>Total</b>	<b>\$6,501,992</b>

Recognition of the abovementioned land has effectively inflated the operating revenue and asset base of the Shire. This however is considered to be “one-off” and are non-cash in nature. Page 45 of the 2012-13 Financial Statements outlines the associated impact on the Shire’s financial ratios both with and without the disclosure required.

### **Summary**

As at 30 June 2013, the Shire held in excess of \$100 million in net assets. Income for the year (including non-operating grants and contributions) was approximately \$31 million, with operating expenditure of almost \$23 million. During 2013-14, the Shire acquired a further \$11.763 million of Infrastructure, Property, Plant and Equipment utilising unspent funds from prior years to ensure the completion of projects. While Council held \$12.551 million in Cash and Investments at 30 June 2013, the majority of these funds are restricted in the form of Reserves and Unspent Grants – again highlighting the downward trend in the operating surplus ratio. While holding \$1.032 million in unrestricted funds may appear satisfactory, it is

imperative that this balance be at an adequate level to ensure that the Shire's debts and obligations can be satisfied as and when they fall due. Sufficient unrestricted cash also allows Council the flexibility to respond to grant and other funding opportunities as they arise throughout the year.

While it is acknowledged that the annual financial statements are slightly delayed compared to prior financial years, the amount of work involved in not only recognising some assets at fair value, but also recognising land under control, is considerable. The efforts undertaken by officers and the auditors were significant, and the officer considers the delay to be reasonable.

### **ATTACHMENTS**

Attachment 1: Independent Audit Report to the Electors of the Shire of Wyndham East Kimberley

Attachment 2: Shire of Wyndham East Kimberley Financial Report for the Year Ended 30th June 2013

Attachment 3: Management Report for the Year Ended 30 June 2013.

### **VOTING REQUIREMENT**

Simple Majority

### **OFFICER'S RECOMMENDATION**

**That the Audit (Finance and Risk) Committee:**

- 1) Receives the Independent Audit Report to the Electors of the Shire of Wyndham East Kimberley;**
- 2) Receives the 2012-13 Financial Report;**
- 3) Receives the Management Report for the Year Ended 30 June 2013;**
- 4) Notes the management response to audit issues and corrective actions being proposed by management;**
- 5) Recommends to Council:-**
  - a) To receive the Independent Audit Report to the Electors of the Shire of Wyndham East Kimberley;**
  - b) To receive the 2012/13 Financial Report**
  - c) To receive the Management Report for the year ended 30 June 2013; and**
  - d) That the actions in relation to the results of Audit for the Year Ended 30 June 2013 are reported to the Minister following the Audit (Finance and Risk) Committee meeting.**

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

**REPORT ON THE FINANCIAL REPORT**

We have audited the accompanying financial report of the Shire of Wyndham – East Kimberley, which comprises the statement of financial position as at 30 June 2013, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT**

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial report.

We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

**AUDITOR'S OPINION**

In our opinion, the financial report of the Shire of Wyndham – East Kimberley is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a. giving a true and fair view of the Shire's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

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

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

**Investment Policy**

The Council's investment policy regarding the restrictions on investment of money does not comply with Financial Management Regulation 19C.

**Annual Financial Report**

The annual financial report for the year ended 30 June 2012 was not submitted to the Department of Local Government within 30 days of receiving the auditor's report as required by Financial Management Regulation 51(2).

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) Except as noted above, no matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 60 of this report, we have reviewed the calculation for the Asset Consumption Ratio as presented and nothing has come to our attention to suggest it is not:
  - i) reasonably calculated; and
  - ii) based on verifiable information.

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

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

Date: 21 January 2014  
Perth, WA

UHY HAINES NORTON  
CHARTERED ACCOUNTANTS



DAVID TOMASI  
PARTNER

**SHIRE OF WYNDHAM EAST KIMBERLEY**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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**SHIRE OF WYNDHAM EAST KIMBERLEY**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2013**

**LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Wyndham East Kimberley being the annual financial report and other information for the financial year ended 30th June 2013 are in my opinion properly drawn up to present fairly the financial position of the Shire of Wyndham East Kimberley at 30th June 2013 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 21 day of JANUARY 2014

  
\_\_\_\_\_  
Gary Gaffney  
Chief Executive Officer

**SHIRE OF WYNDHAM EAST KIMBERLEY  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Revenue</b>				
Rates	22	7,006,756	7,124,150	6,628,002
Operating Grants, Subsidies and Contributions	28	6,212,650	4,257,318	8,651,691
Fees and Charges	27	6,850,227	6,893,488	6,572,625
Interest Earnings	2(a)	719,590	492,800	792,309
Other Revenue		<u>7,165,346</u>	<u>407,625</u>	<u>576,907</u>
		<u>27,954,569</u>	<u>19,175,381</u>	<u>23,221,534</u>
<b>Expenses</b>				
Employee Costs		(9,540,670)	(9,956,186)	(8,155,680)
Materials and Contracts		(6,676,645)	(7,077,060)	(8,817,726)
Utility Charges		(1,005,186)	(925,150)	(808,440)
Depreciation on Non-Current Assets	2(a)	(4,166,478)	(3,160,790)	(3,327,925)
Interest Expenses	2(a)	(205,193)	(213,264)	(395,024)
Insurance Expenses		(440,080)	(448,958)	(349,428)
Other Expenditure		<u>(952,697)</u>	<u>(805,655)</u>	<u>(1,050,960)</u>
		<u>(22,986,949)</u>	<u>(22,587,063)</u>	<u>(22,905,183)</u>
		4,967,620	(3,411,682)	316,351
Non-Operating Grants, Subsidies and Contributions	28	3,190,645	5,141,800	7,952,478
Profit on Asset Disposals	20	61,998	936,084	428,212
Loss on Asset Disposal	20	<u>(103,672)</u>	<u>(59,763)</u>	<u>(131,105)</u>
<b>Net Result</b>		<b>8,116,591</b>	<b>2,606,439</b>	<b>8,565,936</b>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	808,168	0	0
<b>Total Other Comprehensive Income</b>		<u>808,168</u>	<u>0</u>	<u>0</u>
<b>Total Comprehensive Income</b>		<u><u>8,924,759</u></u>	<u><u>2,606,439</u></u>	<u><u>8,565,936</u></u>

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

**SHIRE OF WYNDHAM EAST KIMBERLEY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Revenue</b>				
Governance		288,241	677,320	1,031,637
General Purpose Funding		11,676,478	9,546,062	13,152,890
Law, Order, Public Safety		46,038	46,138	41,177
Health		23,540	61,900	57,683
Education and Welfare		199,471	164,305	171,867
Housing		190,244	202,465	189,725
Community Amenities		2,474,155	2,198,633	2,179,198
Recreation and Culture		7,138,059	583,820	560,844
Transport		5,322,250	5,313,493	5,376,043
Economic Services		149,180	144,000	244,666
Other Property and Services		446,913	237,245	215,804
	2(a)	<u>27,954,569</u>	<u>19,175,381</u>	<u>23,221,534</u>
<b>Expenses</b>				
Governance		(1,855,997)	(2,672,420)	(2,614,070)
General Purpose Funding		(552,984)	(550,904)	(528,409)
Law, Order, Public Safety		(611,850)	(555,566)	(578,671)
Health		(481,941)	(421,676)	(348,845)
Education and Welfare		(421,787)	(397,479)	(405,722)
Housing		(676,748)	(582,258)	(557,784)
Community Amenities		(4,624,931)	(4,490,082)	(4,861,173)
Recreation and Culture		(4,704,365)	(4,232,532)	(4,069,681)
Transport		(7,483,892)	(7,273,308)	(7,373,744)
Economic Services		(791,130)	(884,860)	(900,539)
Other Property and Services		(576,130)	(312,715)	(271,521)
	2(a)	<u>(22,781,755)</u>	<u>(22,373,800)</u>	<u>(22,510,159)</u>
<b>Finance Costs</b>				
Governance		(107,326)	(113,062)	(26,990)
Education and Welfare		(26,719)	(26,719)	(29,698)
Housing		(4,936)	(4,936)	(52,911)
Community Amenities		(11,873)	(2,333)	0
Recreation and Culture		(54,340)	(66,213)	(75,322)
	2(a)	<u>(205,194)</u>	<u>(213,263)</u>	<u>(184,921)</u>
<b>Non-Operating Grants, Subsidies and Contributions</b>				
Governance		0	948,000	1,940,635
Law, Order, Public Safety		0	100,000	0
Housing		947,764	1,895,530	1,078,168
Community Amenities		10,000	10,000	25,000
Recreation and Culture		633,771	661,948	1,187,714
Transport		1,599,110	1,526,322	3,720,961
		<u>3,190,645</u>	<u>5,141,800</u>	<u>7,952,478</u>
<b>Profit/(Loss) on Disposal of Assets</b>				
Law, Order, Public Safety		0	180,000	0
Housing		0	716,874	347,828
Recreation and Culture		(7,851)	0	(32,473)
Transport		(30,489)	649	(86,104)
Other Property and Services		(3,334)	(21,202)	67,856
		<u>(41,674)</u>	<u>876,321</u>	<u>297,107</u>
<b>Net Result</b>		<b><u>8,116,591</u></b>	<b><u>2,606,439</u></b>	<b><u>8,776,039</u></b>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	808,168	0	0
<b>Total Other Comprehensive Income</b>		<b><u>808,168</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Total Comprehensive Income</b>		<b><u><u>8,924,759</u></u></b>	<b><u><u>2,606,439</u></u></b>	<b><u><u>8,776,039</u></u></b>

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

**SHIRE OF WYNDHAM EAST KIMBERLEY  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2013**

	NOTE	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	12,550,556	13,713,854
Trade and Other Receivables	4	1,777,825	3,159,715
Inventories	5	10,606	11,866
Other Financial Assets		6,682	6,683
<b>TOTAL CURRENT ASSETS</b>		<u>14,345,669</u>	<u>16,892,118</u>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	4	10,320	9,356
Inventories	5	46,283	23,099
Property, Plant and Equipment	6	42,119,322	31,370,219
Infrastructure	7	53,552,754	49,816,170
<b>TOTAL NON-CURRENT ASSETS</b>		<u>95,728,679</u>	<u>81,218,844</u>
<b>TOTAL ASSETS</b>		<u>110,074,348</u>	<u>98,110,962</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	1,354,920	1,966,628
Long Term Borrowings	9	478,397	249,176
Provisions	10	1,060,643	1,061,651
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,893,960</u>	<u>3,277,455</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	9	5,267,401	1,849,615
Provisions	10	100,990	96,654
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>5,368,391</u>	<u>1,946,269</u>
<b>TOTAL LIABILITIES</b>		<u>8,262,351</u>	<u>5,223,724</u>
<b>NET ASSETS</b>		<u>101,811,997</u>	<u>92,887,238</u>
<b>EQUITY</b>			
Retained Surplus		93,715,426	86,418,783
Reserves - Cash Backed	11	7,288,403	6,468,455
Revaluation Surplus	12	808,168	0
<b>TOTAL EQUITY</b>		<u>101,811,997</u>	<u>92,887,238</u>

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

**SHIRE OF WYNDHAM EAST KIMBERLEY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2011</b>		<b>75,994,126</b>	<b>8,117,073</b>	<b>0</b>	<b>84,111,199</b>
Comprehensive Income					
Net Result		8,776,039	0	0	8,776,039
Changes on Revaluation of Non-Current Assets	12	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		8,776,039	0	0	8,776,039
Reserve Transfers		1,648,618	(1,648,618)	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance as at 30 June 2012</b>		<b>86,418,783</b>	<b>6,468,455</b>	<b>0</b>	<b>92,887,238</b>
Comprehensive Income					
Net Result		8,116,591	0	0	8,116,591
Changes on Revaluation of Non-Current Assets	12	<u>0</u>	<u>0</u>	<u>808,168</u>	<u>808,168</u>
Total Other Comprehensive Income		8,116,591	0	808,168	8,924,759
Reserve Transfers		(819,948)	819,948	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance as at 30 June 2013</b>		<b><u>93,715,426</u></b>	<b><u>7,288,403</u></b>	<b><u>808,168</u></b>	<b><u>101,811,997</u></b>

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

**SHIRE OF WYNDHAM EAST KIMBERLEY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		7,179,233	6,828,513	6,579,090
Operating Grants, Subsidies and Contributions		6,212,650	6,257,318	9,704,708
Fees and Charges		8,187,640	7,002,101	6,619,133
Service Charges		282,816	0	0
Interest Earnings		719,590	491,800	792,309
Goods and Services Tax		2,973,562	1,494,286	2,548,597
Other Revenue		380,538	407,625	576,907
		<u>25,936,029</u>	<u>22,481,643</u>	<u>26,820,744</u>
<b>Payments</b>				
Employee Costs		(9,502,914)	(9,882,077)	(8,073,085)
Materials and Contracts		(7,253,734)	(6,159,035)	(9,205,083)
Utility Charges		(1,005,186)	(925,150)	(808,440)
Insurance Expenses		(440,080)	(448,958)	(349,428)
Interest expenses		(199,524)	(202,129)	(188,339)
Goods and Services Tax		(3,175,982)	(1,648,101)	(2,099,728)
Other Expenditure		(841,383)	(891,096)	(1,050,960)
		<u>(22,418,803)</u>	<u>(20,156,546)</u>	<u>(21,775,063)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	13(b)	<u>3,517,226</u>	<u>2,325,097</u>	<u>5,045,681</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale		(23,184)	(94,000)	(18,216)
Payments for Purchase of Property, Plant & Equipment		(6,118,091)	(10,988,596)	(8,080,478)
Payments for Construction of Infrastructure		(5,645,452)	(7,976,298)	(4,223,898)
Non-Operating Grants, Subsidies and Contributions		3,190,645	5,141,800	6,849,310
Proceeds from Sale of Plant & Equipment		268,551	1,048,991	706,634
Proceeds from Sale of Land Held for Resale		0	250,000	0
		<u>0</u>	<u>250,000</u>	<u>0</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>		(8,327,531)	(12,618,103)	(4,766,648)
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(352,993)	(352,066)	(1,114,499)
Proceeds from New Debentures		4,000,000	4,400,000	0
		<u>4,000,000</u>	<u>4,400,000</u>	<u>0</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>		3,647,007	4,047,934	(1,114,499)
<b>Net Increase (Decrease) in Cash Held</b>		(1,163,298)	(6,245,072)	(835,466)
Cash at Beginning of Year		13,713,854	13,713,953	14,549,320
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u>12,550,556</u>	<u>7,468,881</u>	<u>13,713,854</u>

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

**SHIRE OF WYNDHAM EAST KIMBERLEY  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
<b>Revenue</b>				
Governance		288,241	1,625,320	2,972,272
General Purpose Funding		4,669,722	2,421,912	6,524,888
Law, Order, Public Safety		46,038	326,138	41,177
Health		23,540	61,900	57,683
Education and Welfare		199,471	164,305	171,867
Housing		1,138,008	2,814,869	1,615,721
Community Amenities		2,484,155	2,208,633	2,204,198
Recreation and Culture		7,771,830	1,245,768	1,748,558
Transport		6,921,360	6,840,464	9,097,004
Economic Services		149,180	144,000	244,666
Other Property and Services		508,911	275,806	296,188
		<u>24,200,456</u>	<u>18,129,115</u>	<u>24,974,222</u>
<b>Expenses</b>				
Governance		(1,963,323)	(2,785,482)	(2,641,060)
General Purpose Funding		(552,984)	(550,904)	(528,409)
Law, Order, Public Safety		(611,850)	(555,566)	(578,671)
Health		(481,941)	(421,676)	(348,845)
Education and Welfare		(448,506)	(424,198)	(435,420)
Housing		(681,684)	(587,194)	(610,695)
Community Amenities		(4,636,804)	(4,492,415)	(4,861,173)
Recreation and Culture		(4,766,556)	(4,298,745)	(4,177,476)
Transport		(7,514,382)	(7,273,308)	(7,459,848)
Economic Services		(791,130)	(884,860)	(900,539)
Other Property and Services		(641,461)	(372,478)	(284,049)
		<u>(23,090,621)</u>	<u>(22,646,826)</u>	<u>(22,826,185)</u>
<b>Net Result Excluding Rates</b>		1,109,835	(4,517,711)	2,148,037
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
Initial Recognition of Assets Due to Changes to Regulations	2(a)	(6,501,992)	0	0
Revaluation Losses Recognised through Expenditure		111,314	0	0
(Profit)/Loss on Asset Disposals	20	41,674	(876,321)	(297,107)
Movement in Deferred Pensioner Rates (Non-Current)		(964)	0	(1,110)
Land held for Resale transferred to PPE		0	0	55,308
Movement in Employee Benefit Provisions (Non-Current)		3,329	52,204	165,277
Depreciation and Amortisation on Assets	2(a)	4,166,478	3,160,790	3,327,925
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale		(23,184)	(94,000)	(18,216)
Purchase Land and Buildings		(4,357,944)	(9,380,170)	(6,520,158)
Purchase Plant and Equipment		(1,008,006)	(1,059,000)	(433,764)
Purchase Furniture and Equipment		(530,716)	(666,550)	(779,827)
Purchase Property Plant and Equipment - Work in Progress		(221,425)	0	(402,037)
Purchase Infrastructure Assets - Roads		(3,247,700)	(4,462,412)	(336,977)
Purchase Infrastructure Assets - Footpaths		(16,218)	(42,500)	(215,287)
Purchase Infrastructure Assets - Drainage		(362,930)	(969,995)	0
Purchase Infrastructure Assets - Bridges		(21,307)	0	0
Purchase Infrastructure Assets - Other		(1,392,647)	(2,501,391)	(1,876,754)
Purchase Infrastructure - Work in Progress		(604,652)	0	(1,794,880)
Proceeds from Sale of Land Held for Resale		0	250,000	0
Proceeds from Disposal of Assets	20	268,551	1,048,991	706,634
Repayment of Debentures	21	(352,993)	(352,066)	(1,114,499)
Proceeds from New Debentures	21	4,000,000	4,400,000	0
Transfers to Reserves (Restricted Assets)	11	(1,569,241)	(939,744)	(821,324)
Transfers from Reserves (Restricted Assets)	11	749,293	822,619	2,469,942
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	8,457,035	9,029,406	7,567,850
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	5,702,346	26,300	8,457,035
<b>Total Amount Raised from General Rate</b>	22(a)	<u>(7,006,756)</u>	<u>(7,124,150)</u>	<u>(6,628,002)</u>

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Preparation**

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the local Government Act 1995 and accompanying regulations.

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

**Critical Accounting Estimates**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**(b) The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 19 to these financial statements.

**(c) Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to the ATO, is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

**(e) Trade and Other Receivables**

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.

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

**(f) Inventories**

***General***

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

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

***Land Held for Resale***

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

Gains and losses are recognised in the statement of comprehensive income 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 resale is classified as current except where it is held as non-current based on Council's intention to release for sale.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets**

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation or impairment losses.

***Mandatory Requirement to Revalue Non-Current Assets***

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

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

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

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

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

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

***Land Under Control***

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

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

***Initial Recognition***

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

***Revaluation***

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

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

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value, imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

***Transitional Arrangement***

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

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

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

***Early Adoption of AASB 13 - Fair Value Measurement***

Whilst the new accounting standard in relation to fair value, *AASB 13 - Fair Value Measurement* does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

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

Due to the nature and timing of the adoption (driven by legislation), the adoption of this standard has had no effect on previous reporting periods.

***Land under Roads***

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

***Depreciation of Non-Current Assets***

All non-current assets having a limited useful life (excluding freehold land) are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

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

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

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

Gains and losses on disposals are determined by comparing proceeds with with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

***Capitalisation Threshold***

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

**(h) Intangible Assets**

**Easements**

Due to legislative changes, Easements are required to be recognised as assets.

If significant, they are initially recognised at cost and have an indefinite useful life.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Financial Instruments**

***Initial Recognition and Measurement***

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

***Classification and Subsequent Measurement***

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

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Financial Instruments (Continued)**

***Classification and Subsequent Measurement (Continued)***

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. 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.

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

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

*(v) Financial liabilities*

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

***Impairment***

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

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 having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, 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 into profit or loss at this point.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Financial Instruments (Continued)**

***Derecognition***

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant continued involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(j) Impairment**

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (eg AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

**(k) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**(l) Employee Benefits**

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

**(m) 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.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(n) Provisions**

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result; and
- c) that outflow can be reliably measured.

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

**(o) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

**(p) Investments in Associates**

Associates are entities in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate entity. In addition, Council's share of the profit or loss of the associate entity is included in the Council's profit or loss.

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

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(q) Joint Venture**

The Council's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is set out in Note 16.

The Council's interest in joint venture entities are recorded using the equity method of accounting (refer to Note 1(b) for details) in the financial report.

When the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of gain or loss not attributable to the Council's share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

**(r) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

**(s) Superannuation**

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

**(t) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

**(u) Rounding Off Figures**

All figures shown in this annual financial report, 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 FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(v) Comparative Figures**

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

**(w) Budget Comparative Figures**

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

	<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(i)	AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
	AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	September 2012	Deferred AASB 9 until 1 January 2015	
(ii)	AASB 2009 – 11 Amendments to Australian Accounting Standards arising from AASB 9  [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title and Topic	Issued	Applicable (*)	Impact
(iii) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iv) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 -Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	01 January 2013	Nil - None of these, except for AASB 128 , are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2011 - 9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	<p>The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.</p> <p>It effects presentation only and is not expected to significantly impact the Council.</p>
(vi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2012-8 and Interpretation 14]	September 2011	01 January 2013	<p>The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.</p>
(vii) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	01 January 2013	<p>Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.</p> <p>This Standard is not expected to significantly impact on the Council's financial statements.</p>

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	01 January 2014	<p>This Standard adds application guidance to AASB 132: <i>Financial Instruments: Presentation</i> to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>This Standard is not expected to significantly impact on the Council’s financial statements.</p>
(ix) AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, 101, 116, 132, 134 and Interpretation 2]	June 2012	01 January 2013	<p>Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council’s financial statements.</p>
(x) AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	December 2012	01 January 2013	<p>Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.</p>

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(y) Adoption of New and Revised Accounting Standards**

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 2010 – 8  
AASB 2011 - 3  
AASB 2011 - 13

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

The Council also chose to early adopt *AASB 13 – Fair Value Measurement* as allowed for in the standard. For further details with respect to this early adoption, refer to Note 1(g).

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

<b>2. REVENUE AND EXPENSES</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net Result includes:		
(i) Charging as an Expense:		
<b>Significant Expense</b>		
Other Property and Services	<u>111,314</u>	<u>0</u>
The significant expenses relates to the reduction in the fair value of the Shire's furniture and equipment		
<b>Auditors Remuneration</b>		
Audit of the financial report	21,500	20,500
Audit of grant funded projects	6,395	4,200
Assistance with other matters	8,100	3,950
Reimbursable expenses	<u>5,067</u>	<u>5,963</u>
	<u>41,061</u>	<u>34,613</u>
<b>Depreciation</b>		
Buildings	1,144,763	624,177
Furniture and Equipment	192,847	166,582
Plant and Equipment	605,654	671,926
Roads	1,332,471	1,241,875
Footpaths	74,977	71,131
Drainage	15,396	14,601
Bridges	9,853	9,384
Airport	220,549	216,024
Others	<u>569,968</u>	<u>312,225</u>
	<u>4,166,478</u>	<u>3,327,925</u>
<b>Interest Expenses (Finance Costs)</b>		
Finance Lease Charges	228,970	210,103
Debentures ( <i>refer Note 21(a)</i> )	<u>205,193</u>	<u>184,921</u>
	<u>434,163</u>	<u>395,024</u>

(ii) Crediting as Revenue:

	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	324,748	300,000	419,882
- Other Funds	271,211	92,800	259,039
Other Interest Revenue ( <i>refer note 26</i> )	<u>123,631</u>	<u>100,000</u>	<u>113,388</u>
	<u>719,590</u>	<u>492,800</u>	<u>792,309</u>
<b>Significant Revenue</b>			
Initial Recognition of Assets due to Change to Regulations			
Recreation and Culture	<u>6,501,992</u>		<u>0</u>
	<u>6,501,992</u>		<u>0</u>

This significant revenue relates to the initial recognition of golf courses, race courses and showground on Crown Land under the Shire's control in accordance with amendments to the Financial Management Regulations. They have been classified as other Revenue by Nature or Type.

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

**2. REVENUE AND EXPENSES (Continued)**

**(b) Statement of Objective**

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

**GENERAL PURPOSE FUNDING**

**Objective:**

To collect revenue to allow for the provision of services.

**Activities:**

Rates, general purpose government grants and interest revenue.

**GOVERNANCE**

**Objective:**

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

**Activities:**

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

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

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

**Activities:**

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

**HEALTH**

**Objective:**

To provide an operational framework for environmental and community health.

**Activities:**

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

**EDUCATION AND WELFARE**

**Objective:**

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

**Activities:**

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

**HOUSING**

**Objective:**

To provide and maintain staff and residential housing.

**Activities:**

Provision of staff and residential housing.

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

**2. REVENUE AND EXPENSES (Continued)**

**COMMUNITY AMENITIES**

**Objective:**

To provide services required by the community.

**Activities:**

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

**RECREATION AND CULTURE**

**Objective:**

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

**Activities:**

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

**TRANSPORT**

**Objective:**

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

**Activities:**

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

The provision and operation of airport services.

**ECONOMIC SERVICES**

**Objective:**

To help promote the shire and its economic wellbeing.

**Activities:**

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

**OTHER PROPERTY & SERVICES**

**Objective:**

To monitor and control council's overheads operating accounts.

**Activities:**

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

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

**2. REVENUE AND EXPENSES (Continued)**

**(c) Conditions Over Grants/Contributions**

<b>Grant/Contribution</b>	<b>Function/ Activity</b>	<b>Opening Balance (*) 1-Jul-11 \$</b>	<b>Received (+) 2011/12 \$</b>	<b>Expended (#) 2011/12 \$</b>	<b>Closing Balance (*) 30-Jun-12 \$</b>	<b>Received (+) 2012/13 \$</b>	<b>Expended (#) 2012/13 \$</b>	<b>Closing Balance 30-Jun-13 \$</b>
Kimberley Zone Secretariat	Governance	119,924	120,000	(149,821)	90,103	25,155	(115,258)	0
Kimberley Zone Business Plan	Governance	91,718	22,727	(112,271)	2,174	25,000	(24,999)	2,175
Kimberley Zone Housing Construction	Governance	0	2,374,273	(5,750)	2,368,523	92,140	(10,477)	2,450,185
Kimberley Regional Collaborative Group	Governance	354,000	190,000	(531,226)	12,774	44,075	(42,065)	14,784
Kimberley Regional Collaborative Group - Project Officer (DLG)	Governance	81,355	40,000	(95,946)	25,409	1,585	(26,994)	(0)
Kimberley Joint Shires - Service Delivery Remote Aboriginal Communities (DLG)	Governance	43,905	0	(42,481)	1,424	0	0	1,424
Integrated Planning Framework (IPF) - Asset Management Funding	Governance	0	30,079	(13,807)	16,272	0	(16,272)	0
Integrated Planning Framework (IPF) - Long Term Financial Planning Funding	Governance	0	30,000	0	30,000	0	(30,000)	(0)
Royalties for Regions (CLGF)	Housing	1,105,193	0	(1,105,193)	0	947,764	(675,029)	272,735
Wyndham Foreshore Protection and Enhancement Plan - Funding	Community Amenities	0	4,500	0	4,500	10,500	(15,000)	0
Childrens Book Week	Recreation and Culture	4,300	4,350	(4,300)	4,350	3,700	(5,642)	2,408
Road Wise	Community Amenities	312		(312)	0			
KLC Hall Upgrade	Recreation and Culture	0	24,895	(12,254)	12,641	150,105	(162,746)	0
Youth Services (AGD)	Community Amenities	104,384	60,500	(11,653)	153,231	133,000	(158,816)	127,415
Youth Services (FaCHSIA)	Community Amenities	50,000	50,000	(50,000)	50,000	0	(956)	49,044
Youth Trainee (DLG)	Community Amenities	0	11,500	0	11,500	0	(11,500)	0
Kimberley Kids in the Kitchen - Youth Services	Community Amenities	0	0	0	0	5,000	(5,000)	0
Kids in Sport	Recreation and Culture	0	30,000	(870)	29,130	0	(5,716)	23,414
Club Development Officer (DSR)	Recreation and Culture	0	0	0	0	105,000	(19,766)	85,234
Kids in Clubs	Recreation and Culture	23,484	0	(23,484)	0	0		0
Crime Prevention (Park Lighting)	Community Amenities	0	25,000	0	25,000	0	(25,000)	0
Regional Local Community Infrastructure Grant	Recreation and Culture	196,000	107,000	(274,330)	28,670	0	(28,670)	0
Roads to Recovery	Transport	230,143	1,322,082	(617,717)	934,508	135,092	(1,026,194)	43,406
Regional Road Group -Main Road	Transport	248,355	728,879	(194,865)	782,369	505,816	(1,106,463)	181,722
Sustainable Regions Grant	Transport	26,300	0	0	26,300	0	0	26,300

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

**2. REVENUE AND EXPENSES (Continued)**

**(c) Conditions Over Grants/Contributions (Continued)**

<b>Grant/Contribution</b>	<b>Function/ Activity</b>	<b>Opening Balance (*) 1-Jul-11 \$</b>	<b>Received (+) 2011/12 \$</b>	<b>Expended (#) 2011/12 \$</b>	<b>Closing Balance (*) 30-Jun-12 \$</b>	<b>Received (+) 2012/13 \$</b>	<b>Expended (#) 2012/13 \$</b>	<b>Closing Balance 30-Jun-13 \$</b>
Aboriginal Access Roads - Federal Grant (WALGGC)	Transport	<b>250,000</b>	255,000	(279,447)	<b>225,553</b>	308,000	(533,553)	<b>(0)</b>
Road Upgrade - Carlton Hill Road	Transport	<b>0</b>	0	0	<b>0</b>	225,000	(3,635)	<b>221,365</b>
Kimberley Development Commission	Economic Development	<b>205,000</b>	100,000	(217,000)	<b>88,000</b>	0	(88,000)	<b>0</b>
East Kimberley Development Package	Various	<b>1,023,239</b>	1,000,000	(1,462,719)	<b>560,520</b>	168,065	0	<b>728,585</b>
<b>Total</b>		<b><u>4,157,612</u></b>	<b><u>6,530,785</u></b>	<b><u>(5,205,446)</u></b>	<b><u>5,482,951</u></b>	<b><u>2,884,997</u></b>	<b><u>(4,137,752)</u></b>	<b><u>4,230,196</u></b>

**Notes:**

- (\*) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (+) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (#) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

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

	2013 \$	2012 \$
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	1,031,957	1,762,448
Restricted	11,518,599	11,951,406
	<u>12,550,556</u>	<u>13,713,854</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Waste Management	295,061	553,690
Airport	5,189,347	4,184,595
Plant and Equipment	75,305	71,705
Parking	234,084	279,376
Non-Potable Water	89,570	85,288
Civic Building	7,353	7,001
East Kimberley Tourism	116,481	107,691
Foreshore Reserve	83,156	8,750
Staff Entitlement	216,403	216,644
Recreation Hard courts	25,126	62,976
Bio Security	258,371	246,020
Child Care	118,661	106,261
Parks	297,160	329,724
Legal Fees	3,395	3,233
Youth Bus	18,541	10,816
Footpaths	260,389	194,685
Sub Total	<u>7,288,403</u>	<u>6,468,455</u>
Unspent Grants - (note 2(c))	4,230,196	5,482,951
	<u>11,518,599</u>	<u>11,951,406</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates Outstanding	521,454	753,344
Sundry Debtors	1,483,860	2,715,843
Less Provision for Doubtful Debts	(372,825)	(325,843)
GST Receivable	127,476	0
Bonds	17,860	16,371
	<u>1,777,825</u>	<u>3,159,715</u>
<b>Non-Current</b>		
Rates Outstanding - Pensioners	10,320	9,356
	<u>10,320</u>	<u>9,356</u>
<b>5. INVENTORIES</b>		
<b>Current</b>		
Fuel and Materials	8,720	8,338
Leisure Centre Stock	1,886	3,528
	<u>10,606</u>	<u>11,866</u>
<b>Non-Current</b>		
Land Held for Resale - Cost		
Cost of Acquisition		
Development Costs	46,283	23,099
	<u>46,283</u>	<u>23,099</u>

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Free Hold Land - Cost	2,958,255	2,046,119
Land Vested in and Under Control of Council - Land - Cost	<u>4,294,383</u>	<u>0</u>
Total Land	<u>7,252,638</u>	<u>2,046,119</u>
Buildings - Cost	36,009,634	30,731,960
Land Vested in and Under Control of Council - Buildings - Cost	2,207,609	0
Less Accumulated Depreciation	<u>(8,666,635)</u>	<u>(6,251,888)</u>
Total Buildings	<u>29,550,608</u>	<u>24,480,072</u>
Total Land and Buildings	<u>36,803,246</u>	<u>26,526,191</u>
Furniture and Equipment - Independent Valuation 2013	701,735	0
Furniture and Equipment - Management Valuation 2013	840,420	0
Furniture and Equipment - Cost	0	1,707,497
Less Accumulated Depreciation	<u>(651,296)</u>	<u>(760,927)</u>
	890,859	946,570
Plant and Equipment - Independent Valuation 2013	6,172,172	0
Plant and Equipment - Management Valuation 2013	423,715	0
Plant and Equipment - Cost	0	7,077,377
Less Accumulated Depreciation	<u>(2,497,558)</u>	<u>(3,584,980)</u>
	4,098,329	3,492,397
Work in Progress	326,888	405,061
	<u>42,119,322</u>	<u>31,370,219</u>

**Reserve Vested in and Under the Control of Council - at Cost**

In accordance with Local Government (Financial Management) Regulation 16(a) and 16(b) the Council is required to recognise as an asset:

- a) Crown land operated by the Shire as a golf course, showground, race course, or other sporting or recreational facility of State or regional significance; and
- b) any structures or improvements on the land referred to in paragraph (a)

Under this regulation the following land has been recognised as at 30 June 2013:

	<b>2013</b>
	<b>\$</b>
- Wyndham Race Course (Crown Reserve R-24857)	540,696
- Wyndham Golf Course (Crown Reserve R-33685)	386,820
- Wyndham Recreation and Stables (Crown Reserve R-32816)	0
- Kununurra Race Course (Crown Reserve R-30290)	2,443,042
- Kununurra Golf Course (Crown Reserve R- 29167)	1,817,289
- Kununurra Showgrounds (Crown Reserve R-29799)	<u>1,314,145</u>
	<u>6,501,992</u>

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

**Plant and Equipment - Mobile Plant and Motor Vehicle**

The Plant and Equipment - Mobile Plant and Motor Vehicle were revalued at 30 June 2013 by independent valuers. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy)

The revaluation resulted in an overall increase of \$414,868 in the net value of the Shire's Mobile Plant and Motor Vehicle. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12 for further details) and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

**Plant and Equipment - Other than Mobile Plant and Motor Vehicle**

The Shire's Plant and Equipment - Other than Mobile Plant and Motor Vehicle that could not be valued on the basis of open market values have been revalued at 30 June 2013 by using a management valuation approach, having regard for their current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual value and remaining estimated useful life (Level 3 input).

Given the significance of the Level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs.

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

The revaluation resulted in overall increase of \$393,300 in the net value of the Shire's Plant and Equipment - Other than Mobile Plant and Motor Vehicle. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12 for further details) and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

**Furniture and Equipment**

The Shire's Furniture and Equipment were revalued at 30 June 2013 by using both independent valuers and management valuation having regard for their current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual value and remaining estimated useful life (Level 3 input).

Given the significance of the Level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs.

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

The revaluation has resulted in decrease in the net value of the Shire's Furniture and Equipment. Consequently, the decrease of \$111,314 was recognised in the net result in the statement of Comprehensive income.

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

**6. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Movements in Carrying Amounts**

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land \$	Buildings \$	Total Land and Buildings \$	Plant and Equipment (Level 2) \$	Plant and Equipment (Level 3) \$	Total Plant and Equipment \$	Furniture and Equipment (Level 3) \$	Work in Progress \$	Total \$
Balance as at the beginning of the year	2,046,119	24,480,072	<b>26,526,191</b>	2,339,883	1,152,514	<b>3,492,397</b>	946,570	405,061	<b>31,370,219</b>
Additions	912,136	3,445,808	<b>4,357,944</b>	868,300	139,706	<b>1,008,006</b>	530,716	221,425	<b>6,118,091</b>
(Disposals)	0	(7,852)	<b>(7,852)</b>	(270,510)	0	<b>(270,510)</b>	(31,864)	0	<b>(310,226)</b>
Revaluation - Increments	0	0	<b>0</b>	414,868	393,300	<b>808,168</b>	0	0	<b>808,168</b>
- (Decrements)	0	0	<b>0</b>	0	0	<b>0</b>	(111,314)	0	<b>(111,314)</b>
Impairment - (Losses)	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
- Reversals	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
Initial Recognition of assets Due to Changes to Regulations	4,294,383	2,207,609	<b>6,501,992</b>	0	0	<b>0</b>	0	0	<b>6,501,992</b>
Depreciation (Expense)	0	(1,144,763)	<b>(1,144,763)</b>	(429,591)	(176,063)	<b>(605,654)</b>	(192,847)	0	<b>(1,943,264)</b>
Reclassifications	0	569,734	<b>569,734</b>	0	(334,078)	<b>(334,078)</b>	(250,402)	(299,598)	<b>(314,344)</b>
<b>Carrying amount at the end of year</b>	<u><u>7,252,638</u></u>	<u><u>29,550,608</u></u>	<u><u><b>36,803,246</b></u></u>	<u><u>2,922,950</u></u>	<u><u>1,175,379</u></u>	<u><u><b>4,098,329</b></u></u>	<u><u><b>890,859</b></u></u>	<u><u><b>326,888</b></u></u>	<u><u><b>42,119,322</b></u></u>

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

	2013 \$	2012 \$
<b>7. INFRASTRUCTURE</b>		
Roads - Cost	48,998,378	44,265,150
Less Accumulated Depreciation	<u>(15,936,026)</u>	<u>(14,603,555)</u>
	33,062,352	29,661,595
Footpaths - Cost	1,984,671	1,867,686
Less Accumulated Depreciation	<u>(996,376)</u>	<u>(921,399)</u>
	988,295	946,287
Drainage - Cost	2,024,774	1,637,950
Less Accumulated Depreciation	<u>(1,101,883)</u>	<u>(1,086,487)</u>
	922,891	551,463
Bridges - Cost	303,113	281,805
Less Accumulated Depreciation	<u>(44,295)</u>	<u>(34,441)</u>
	258,818	247,364
Airports - Cost	5,581,740	5,581,740
Less Accumulated Depreciation	<u>(1,858,798)</u>	<u>(1,638,250)</u>
	3,722,942	3,943,490
Other Infrastructure - Cost	17,300,898	15,358,376
Less Accumulated Depreciation	<u>(3,505,213)</u>	<u>(2,805,735)</u>
	13,795,685	12,552,641
Work in Progress	<u>801,771</u>	<u>1,913,330</u>
	<u><u>53,552,754</u></u>	<u><u>49,816,170</u></u>

**SHIRE OF WYNDHAM EAST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**7. INFRASTRUCTURE (Continued)**

**Movements in Carrying Amounts**

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	<b>Roads \$</b>	<b>Footpaths \$</b>	<b>Drainage \$</b>	<b>Bridges \$</b>	<b>Airport</b>	<b>Other Infrastructure</b>	<b>Work in Progress</b>	<b>Total \$</b>
Balance at the beginning of the year	29,661,595	946,287	551,463	247,364	3,943,491	12,552,640	1,913,330	49,816,170
Additions	3,247,700	16,218	362,930	21,307	0	1,392,647	604,652	5,645,454
(Disposals)	0	0	0	0	0	0	0	0
Revaluation - Increments	0	0	0	0	0	0	0	0
- (Decrements)	0	0	0	0	0	0	0	0
Impairment - (Losses)	0	0	0	0	0	0	0	0
- Reversals	0	0	0	0	0	0	0	0
Depreciation (Expense)	(1,332,471)	(74,977)	(15,396)	(9,853)	(220,549)	(569,968)	0	(2,223,214)
Reclassifications	1,485,528	100,767	23,894	0	0	420,366	(1,716,211)	314,344
<b>Carrying amount at the end of year</b>	<b><u>33,062,352</u></b>	<b><u>988,295</u></b>	<b><u>922,891</u></b>	<b><u>258,818</u></b>	<b><u>3,722,942</u></b>	<b><u>13,795,685</u></b>	<b><u>801,771</u></b>	<b><u>53,552,754</u></b>

**SHIRE OF WYNDHAM EAST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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	2013 \$	2012 \$		
<b>8. TRADE AND OTHER PAYABLES</b>				
<b>Current</b>				
Sundry Creditors	1,019,977	1,104,448		
Accrued Interest on Debentures	34,101	28,431		
Accrued Salaries and Wages	138,644	110,804		
Accrued Expenses	7,941	500,331		
ATO Liability	154,257	147,670		
GST Payable	0	74,944		
	<u>1,354,920</u>	<u>1,966,628</u>		
<b>9. LONG-TERM BORROWINGS</b>				
<b>Current</b>				
Secured by Floating Charge Debentures	478,397	249,176		
	<u>478,397</u>	<u>249,176</u>		
<b>Non-Current</b>				
Secured by Floating Charge Debentures	5,267,401	1,849,615		
	<u>5,267,401</u>	<u>1,849,615</u>		
Additional detail on borrowings is provided in <i>Note 21</i> .				
<b>10. PROVISIONS</b>				
Analysis of Total Provisions				
<b>Current</b>				
Provision for Annual Leave	600,978	610,059		
Provision for RDO	107,250	75,914		
Provision for Long Service Leave	352,415	375,678		
	<u>1,060,643</u>	<u>1,061,651</u>		
<b>Non-Current</b>				
Provision for Long Service Leave	100,990	96,654		
	<u>100,990</u>	<u>96,654</u>		
<b>Total</b>	<u><b>1,161,633</b></u>	<u><b>1,158,305</b></u>		
	<b>Provision for RDO</b>	<b>Provision for Annual Leave</b>	<b>Provision for Long Service Leave</b>	<b>Total</b>
	\$	\$	\$	\$
Opening balance as at 1 July 2012	75,914	610,059	472,332	1,158,305
Additional provisions	0	618,742	81,568	700,310
Amounts used	0	(627,823)	(70,957)	(698,780)
Un-used amounts reversed	0	0	(29,538)	(29,538)
Net Movement	31,336	0	0	31,336
Balance at 30 June 2013	<u>107,250</u>	<u>600,978</u>	<u>453,405</u>	<u>1,161,633</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY  
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	2013 \$	2013 Budget \$	2012 \$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Waste Management</b>			
Opening Balance	553,690	553,690	282,458
Amount Set Aside / Transfer to Reserve	300,877	298,759	271,232
Amount Used / Transfer from Reserve	(559,506)	(334,343)	0
	<u>295,061</u>	<u>518,106</u>	<u>553,690</u>
<b>(b) Airport General</b>			
Opening Balance	4,184,595	4,184,595	5,784,141
Amount Set Aside / Transfer to Reserve	1,004,752	407,826	297,892
Amount Used / Transfer from Reserve	0	0	(1,897,438)
	<u>5,189,347</u>	<u>4,592,421</u>	<u>4,184,595</u>
<b>(c) Plant and Equipment</b>			
Opening Balance	71,705	71,705	33,243
Amount Set Aside / Transfer to Reserve	3,600	3,326	38,462
Amount Used / Transfer from Reserve	0	0	0
	<u>75,305</u>	<u>75,031</u>	<u>71,705</u>
<b>(d) Leisure Centre</b>			
Opening Balance	0	0	42,140
Amount Set Aside / Transfer to Reserve	0	0	1,900
Amount Used / Transfer from Reserve	0	0	(44,040)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(e) Parking</b>			
Opening Balance	279,376	279,376	265,090
Amount Set Aside / Transfer to Reserve	14,026	12,957	14,286
Amount Used / Transfer from Reserve	(59,318)	(250,000)	0
	<u>234,084</u>	<u>42,333</u>	<u>279,376</u>
<b>(f) Non-Potable Water</b>			
Opening Balance	85,288	85,288	80,927
Amount Set Aside / Transfer to Reserve	4,282	3,955	4,361
Amount Used / Transfer from Reserve	0	(88,000)	0
	<u>89,570</u>	<u>1,243</u>	<u>85,288</u>
<b>(g) Civic Buildings</b>			
Opening Balance	7,001	7,001	6,644
Amount Set Aside / Transfer to Reserve	352	325	357
Amount Used / Transfer from Reserve	0	0	0
	<u>7,353</u>	<u>7,326</u>	<u>7,001</u>
<b>(h) East Kimberley Tourism</b>			
Opening Balance	107,691	107,691	100,294
Amount Set Aside / Transfer to Reserve	15,902	14,995	15,338
Amount Used / Transfer from Reserve	(7,112)	(8,518)	(7,941)
	<u>116,481</u>	<u>114,168</u>	<u>107,691</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY  
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11. RESERVES - CASH BACKED (Continued)	2013 \$	2013 Budget \$	2012 \$
<b>(i) Foreshore Reservation</b>			
Opening Balance	8,750	8,750	41,195
Amount Set Aside / Transfer to Reserve	74,406	55,822	37,555
Amount Used / Transfer from Reserve	0	(25,000)	(70,000)
	<u>83,156</u>	<u>39,572</u>	<u>8,750</u>
<b>(j) Staff Entitlement</b>			
Opening Balance	216,644	216,644	173,441
Amount Set Aside / Transfer to Reserve	10,877	10,047	54,325
Amount Used / Transfer from Reserve	(11,118)	(6,091)	(11,122)
	<u>216,403</u>	<u>220,600</u>	<u>216,644</u>
<b>(k) Staff Housing</b>			
Opening Balance	0	0	158,724
Amount Set Aside / Transfer to Reserve	0	0	7,157
Amount Used / Transfer from Reserve	0	0	(165,881)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(l) Recreation Hardcourts</b>			
Opening Balance	62,976	62,976	59,755
Amount Set Aside / Transfer to Reserve	21,837	24,921	3,221
Amount Used / Transfer from Reserve	(59,687)	(26,667)	0
	<u>25,126</u>	<u>61,230</u>	<u>62,976</u>
<b>(m) Bio Security</b>			
Opening Balance	246,020	246,020	233,439
Amount Set Aside / Transfer to Reserve	12,351	11,410	12,581
Amount Used / Transfer from Reserve	0	0	0
	<u>258,371</u>	<u>257,430</u>	<u>246,020</u>
<b>(n) Childcare</b>			
Opening Balance	106,261	106,261	115,446
Amount Set Aside / Transfer to Reserve	15,835	16,856	18,342
Amount Used / Transfer from Reserve	(3,435)	(10,000)	(27,527)
	<u>118,661</u>	<u>113,117</u>	<u>106,261</u>
<b>(o) Parks</b>			
Opening Balance	329,724	329,724	424,816
Amount Set Aside / Transfer to Reserve	16,554	15,292	21,908
Amount Used / Transfer from Reserve	(49,118)	(54,000)	(117,000)
	<u>297,160</u>	<u>291,016</u>	<u>329,724</u>
<b>(p) Developer Contributions - Egret Close</b>			
Opening Balance	0	0	123,427
Amount Set Aside / Transfer to Reserve	0	0	5,566
Amount Used / Transfer from Reserve	0	0	(128,993)
	<u>0</u>	<u>0</u>	<u>0</u>

**SHIRE OF WYNDHAM-EAST KIMBERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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<b>11. RESERVES - CASH BACKED (Continued)</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
<b>(q) Legal Fees</b>			
Opening Balance	3,233	3,233	3,068
Amount Set Aside / Transfer to Reserve	162	150	165
Amount Used / Transfer from Reserve	0	0	0
	<u>3,395</u>	<u>3,383</u>	<u>3,233</u>
<b>(r) Youth Bus</b>			
Opening Balance	10,816	10,816	4,095
Amount Set Aside / Transfer to Reserve	7,725	5,502	6,721
Amount Used / Transfer from Reserve	0	0	0
	<u>18,541</u>	<u>16,318</u>	<u>10,816</u>
<b>(s) Footpaths</b>			
Opening Balance	194,685	194,685	184,730
Amount Set Aside / Transfer to Reserve	65,704	57,601	9,955
Amount Used / Transfer from Reserve	0	(20,000)	0
	<u>260,389</u>	<u>232,286</u>	<u>194,685</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u>7,288,403</u>	<u>6,585,580</u>	<u>6,468,455</u>

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

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

**Waste Management**

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

**Airport General**

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

**Plant and Equipment**

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

**Leisure Centre**

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

**Parking**

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

**Non-Potable Water**

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

**Civic Buildings**

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

**East Kimberley Tourism**

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

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

**11. RESERVES - CASH BACKED (Continued)**

**Foreshore Reservation**

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

**Staff Entitlement**

This reserve is to provide for Shire employee entitlements.

**Staff Housing**

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

**Recreation Hardcourts**

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

**Bio Security**

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

**Childcare**

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

**Parks**

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

**Developer Contributions - Egret Close**

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

**Legal Fees**

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

**Youth Bus**

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

**Footpaths**

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

**12. RESERVES - ASSET REVALUATION**

Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:

	2013	2012
	\$	\$
(a) <b>Plant and Equipment</b>		
Opening Balance	0	0
Revaluation Increment	808,168	0
Revaluation Decrement	0	0
	808,168	0
 TOTAL ASSET REVALUATION RESERVES	 808,168	 0

**SHIRE OF WYNDHAM EAST KIMBERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**13. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	2013 \$	2013 Budget \$	2012 \$
Cash and Cash Equivalents	<u>12,550,556</u>	<u>7,468,881</u>	<u>13,713,854</u>
<b>(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net Result	8,116,591	2,606,439	8,776,039
Depreciation	4,166,478	3,160,790	3,327,925
(Profit)/Loss on Sale of Asset	41,674	(876,321)	(297,107)
(Increase)/Decrease in Receivables	1,508,402	1,655,202	(50,648)
(Increase)/Decrease in Inventories	1,260	(3,135)	3,136
Increase/(Decrease) in Payables	(542,434)	857,789	(475,082)
Increase/(Decrease) in GST	(202,420)	0	448,869
Increase/(Decrease) in Interest on Borrowings	5,670	0	(3,418)
Increase/(Decrease) in Employee Provisions	3,328	66,133	165,277
Grants/Contributions for the Development of Assets	(3,190,645)	(5,141,800)	(6,849,310)
Initial Recognition of Assets due to Changes in Regulation	(6,501,992)	0	0
Revaluation Losses Recognised through Expenditure	111,313	0	0
Net Cash from Operating Activities	<u>3,517,225</u>	<u>2,325,097</u>	<u>5,045,681</u>

**(c) Undrawn Borrowing Facilities**  
**Credit Standby Arrangements**

Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	55,000	65,000
Credit Card Balance at Balance Date	(15,802)	(30,164)
<b>Total Amount of Credit Unused</b>	<u>39,198</u>	<u>34,836</u>

**Loan Facilities**

Loan Facilities - Current	478,397	249,176
Loan Facilities - Non-Current	5,267,401	1,849,615
<b>Total Facilities in Use at Balance Date</b>	<u>5,745,798</u>	<u>2,098,791</u>

**Unused Loan Facilities at Balance Date**

	<u>221,657</u>	<u>0</u>
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**SHIRE OF WYNDHAM EAST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**14. CONTINGENT LIABILITIES**

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

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

<b>15. CAPITAL AND LEASING COMMITMENTS</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Finance Lease Commitments</b>		
The Shire of Wyndham-East Kimberley has no significant or material finance leasing commitments for the year ended 30 June 2013.		
<b>(b) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	194,077	129,118
- later than one year but not later than five years	100,746	22,750
- later than five years	0	0
	<u>294,823</u>	<u>151,868</u>
<b>(c) Capital Expenditure Commitments</b>		
Contracted for:		
- capital expenditure projects	444,572	1,302,064
- plant & equipment purchases	0	0
Payable:		
- not later than one year	444,572	1,302,064
The capital expenditure project outstanding at the end of the current reporting period represents		
Kununurra Pool Liner Replacement	0	78,750
Kalumburu Road Upgrade Crossings/Floodways	0	772,312
Kalumburu Road Reconstruction	0	34,810
Kalumburu Road Resheeting	0	416,192
Waterlily Place -Staff Housing	237,911	0
Wyndham Oval Toilet	80,000	0
Messmate Way Roundabout - Re-construct and seal	111,900	0
Celebrity Tree Boat Ramp -Planning	14,761	0
	<u>444,572</u>	<u>1,302,064</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY  
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**16. JOINT VENTURE**

The Shire of Wyndham East Kimberley was not involved in any Joint Ventures in the 2012/13 financial year.

**17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Governance	682,718	917,885
General Purpose Funding	0	
Law, Order, Public Safety	95,473	157,693
Health	12,812	54,265
Education and Welfare	2,289,599	3,515,952
Housing	9,235,907	5,624,117
Community Amenities	4,777,740	2,482,502
Recreation and Culture	15,294,262	15,488,539
Transport	58,818,658	51,754,221
Economic Services	116,175	659,558
Other Property and Services	14,489,200	4,384,819
Unallocated	4,261,804	13,071,411
	<u>110,074,348</u>	<u>98,110,962</u>

**SHIRE OF WYNDHAM EAST KIMBERLEY  
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<b>18. FINANCIAL RATIOS</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Current Ratio	1.06	1.61	1.37
Asset Sustainability Ratio	1.49	0.92	2.35
Debt Service Cover Ratio	16.66	3.34	12.38
Operating Surplus Ratio	0.32	0.05	0.15
Own Source Revenue Coverage Ratio	0.66	0.66	0.73

The above ratios are calculated as follows:

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

**Notes:**

- (a) Implementation relating to the Assets Consumption Ratio and the Assets Renewal Funding Ratio can be found on page 60 of this document - Supplementary Ratio Information.
- (b) Three of the 2013 ratios disclosed above are distorted by items of significant revenue and expenses relating to:

The initial recognition of Land under the Shire's control in accordance with amendments to the Financial Management Regulations amounting to \$ 6,501,992 (refer to Notes 1(g), 1(h) and 2(a)(ii) for further details). This forms part of operating revenue.

The significant expenses relating to the reduction in the fair value of the Shire's furniture and equipment of amounting to \$ 111,314. (refer to note 1(g) and 2(a)(i) for further details). This form part of operating expenses.

These items form part of operating revenue and expenditure and have been included in the calculations above.

These items of significant revenue and expenditure are considered to be "one-off" and are non-cash in nature and, if they were ignored, the calculations disclosed in the 2013 column above would be as follows:

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

**SHIRE OF WYNDHAM EAST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**19. TRUST FUNDS**

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

	<b>Balance 1-Jul-12 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance 30-Jun-13 \$</b>
Housing Bonds	6,220	400	(5,520)	1,100
ASIC - Airport Security Card	6,540	200	(1,000)	5,740
Terminal Security Access Card	600	615	(500)	715
Footpath Bonds	39,190	15,000	(14,540)	39,650
Hall Hire Bonds - Kununurra Leisure Centre	7,650	9,927	(10,677)	6,900
Hall Hire Bonds - Peter Reid Memorial Hall	100	9,350	(8,310)	1,140
Hire Bonds - Youth Centre	8,500	6,500	(8,000)	7,000
Oval Hire Bonds - Wyndham Oval	200	1,400	(1,400)	200
Cash In Lieu of Public Open Space	387,319	16,935	0	404,254
Lease Bonds	10,000	0	0	10,000
Election Nomination Bonds	0	320	0	320
Kimberley Zone Aboriginal Housing Project	1,841,892	0	(1,831,892)	10,000
Builders Registration Board	2,501	23,416	(2,501)	23,416
Building & Construction Industry Training Fund	5,396	52,978	(39,387)	18,987
Kununurra 50th Birthday	7,305	0	0	7,305
50th Anniversary Number Plates	11,725	0	0	11,725
Transport Clearing Account	0	211,294	(211,294)	0
Other Trust Funds	685	210	(175)	720
	<b>2,335,823</b>	<b>348,545</b>	<b>(2,135,196)</b>	<b>549,172</b>

**SHIRE OF WYNDHAM EAST KIMBERLEY  
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**20. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Law, Order, Public Safety</b>						
Land Held for Re-sale - Ivanhoe Shed Site	0	70,000	0	250,000	0	180,000
<b>Housing</b>						
LB107/179/234/244 - 29 Boobialla Street	0	43,912	0	400,000	0	356,088
LB108/180/231/266/267/268/269 - 23 Boobialla St.	0	39,214	0	400,000	0	360,786
<b>Other Property and Services</b>						
<i>Light Plant</i>						
P106 - Toyota Hilux Dual Cab	11,308	11,308	20,000	15,000	8,692	3,692
P110 - Toyota Prado VX	27,166	30,758	45,261	43,000	18,095	12,242
P112 - Toyota Prado GXL	24,507	31,039	45,499	37,000	20,992	5,961
P215 - Holden Rodeo DX	6,859	6,858	8,182	9,000	1,323	2,142
P326 - Nissan Navara S Cab	587	587	5,636	2,500	5,049	1,913
P303 - Toyota Hilux 3LTD	0	0	3,636	7,000	3,636	7,000
P327 - Nissan Navara S Cab	581	581	3,818	5,400	3,237	4,819
P471 - Toyota Hilux	12,504	0	10,545	0	(1,959)	0
P468 - Holden Astra Sedan	0	8,208	0	9,000	0	792
<i>Heavy Plant</i>						
P350 - 2008 Caterpillar 924G Loader	156,508	168,854	125,000	109,091	(31,508)	(59,763)
<i>Information Services</i>						
Plotter (i)	0	0	974	0	974	0
Printer - ApeosPort -IV C6680 (ii)	12,007	0	0	0	(12,007)	0
2 Printers- ApeosPort -II C6500 (iii)	19,857	0	0	0	(19,857)	0
<b>Transport</b>						
<i>Airport Plant</i>						
P355 -Kubota Tractor (iv)	30,489	0	0	0	(30,489)	0
P369 - Holden Commodore	0	11,351	0	12,000	0	649
<b>Recreation and Culture</b>						
Kununurra Leisure Centre (v)	7,852	0	0	0	(7,852)	0
	<b>310,225</b>	<b>422,670</b>	<b>268,551</b>	<b>1,298,991</b>	<b>(41,674)</b>	<b>876,321</b>

**Notes:-**

- (i) Trade in old fully depreciated Plotter
- (ii) Damaged printer. \$14,243/- insurance claim received recognized under other income in 2013/14 financial year.
- (iii) Disposal of old printers due to higher maintenance cost
- (iv) Plant number P355 destroyed by fire \$ 43,336.36 insurance claim received recognized in other income.
- (v) Old shade sails disposal - Kununurra Leisure Centre

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

**21. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal 1-Jul-12 \$	New Loans \$	Principal Repayments		Principal 30-Jun-13		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Governance</b>								
L122 Administration Building Land	413,709	0	41,665	41,665	372,044	372,044	24,447	24,447
L123 New Admin. Building (Bridging)	0	1,500,000	0	0	1,500,000	1,500,000	28,415	30,625
L124 New Admin. Building	0	2,500,000	103,818	102,892	2,396,182	2,397,108	54,464	57,990
<b>Education and Welfare</b>								
L120 Kununurra Childcare Centre	455,034	0	49,343	49,343	405,691	405,691	26,719	26,719
<b>Housing</b>								
L115 Staff Housing	87,210	0	11,290	11,290	75,920	75,920	4,936	4,936
L121 Staff Housing	0	0	0	0	0	0		
<b>Recreation and Culture</b>								
L113 KNX Aquatic Centre Refurbishment	487,289	0	63,084	63,084	424,205	424,204	27,578	27,579
L114 WYN Recreation Centre	204,400	0	26,461	26,461	177,939	177,939	11,568	11,568
L118 KNX Youth Centre	170,799	0	23,614	23,614	147,185	147,185	11,873	11,873
L119 Multi Purpose Courts	280,350	0	33,718	33,718	246,632	246,632	15,193	15,193
<b>Community Amenities</b>								
New Loan - Liquid Waste Facility	0	0	0	0	0	400,000	0	2,333
	<b>2,098,791</b>	<b>4,000,000</b>	<b>352,993</b>	<b>352,067</b>	<b>5,745,798</b>	<b>6,146,723</b>	<b>205,193</b>	<b>213,263</b>

All loan repayments were financed by general purpose revenue.

(b) New Debentures - 2012/13

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
L123 New Admin. Building (Bridging)	1,500,000	1,500,000	WATC	N/A	2	100,800	3.26	1,500,000	1,500,000	0
L124 New Admin. Building	2,500,000	2,500,000	WATC	N/A	10	545,251	3.82	2,278,343	2,397,108	221,657
New Loan - Liquid Waste Facility	0	400,000	N/A	N/A	N/A	N/A	N/A	N/A	400,000	0
	<b>4,000,000</b>	<b>4,400,000</b>						<b>3,778,343</b>	<b>4,297,108</b>	<b>221,657</b>

(c) Overdraft - Council has no overdraft facility.

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

**22. RATING INFORMATION - 2012/13 FINANCIAL YEAR**

(a) Rates

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Back Rates \$</b>	<b>Total Revenue \$</b>	<b>Budgeted Rate Revenue \$</b>	<b>Budgeted Interim Rates \$</b>	<b>Budgeted Back Rates \$</b>	<b>Budgeted Total Revenue \$</b>
<b>Differential General Rate</b>											
GRV - Townsites	7.9248	1,665	58,420,876	4,619,897	97,272	4,650	4,721,819	4,650,447	15,000	0	4,665,447
GRV - Other	6.3398	1	101,770	6,452	0	0	6,452	6,452	0	0	6,452
UV - Rural Residential	0.7219	172	52,781,600	381,030	0	0	381,030	381,030	0	0	381,030
UV - Other	0.5371	221	173,237,000	930,179	2,147	277	932,603	931,530	10,000	0	941,530
UV - Pastoral	2.6351	22	9,318,039	245,540	(5,834)	0	239,706	245,540	0	0	245,540
UV - Mining	22.0000	93	2,844,686	625,964	(93,399)	(133)	532,432	625,831	0	0	625,831
<b>Sub-Totals</b>		2,174	296,703,971	6,809,062	186	4,794	6,814,042	6,840,830	25,000	0	6,865,830
<b>Minimum Rates</b>	<b>Minimum \$</b>										
GRV - Townsites	925	356	2,682,901	329,300	0	0	329,300	330,225	0	0	330,225
GRV - Other	925	0	0	0	0	0	0	0	0	0	0
UV - Rural Residential	925	0	0	0	0	0	0	0	0	0	0
UV - Other	925	9	788,824	8,325	0	0	8,325	8,325	0	0	8,325
UV - Pastoral	925	3	73,348	2,775	0	0	2,775	2,775	0	0	2,775
UV - Mining	1,275	83	162,079	105,825	0	0	105,824	105,825	0	0	105,825
<b>Sub-Totals</b>		451	3,707,152	446,225	0	0	446,224	447,150	0	0	447,150
<b>Ex Gratia Rates</b>							7,260,266				7,312,980
							4,159				4,000
							7,264,425				7,316,980
<b>Discounts</b>							(199,802)				(165,000)
<b>Excess Rates</b>							(57,867)				(27,830)
<b>Total Amount Raised from General Rate</b>							<b>7,006,756</b>				<b>7,124,150</b>

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

**22. RATING INFORMATION - 2012/13 FINANCIAL YEAR (Continued)**

(b) Information on Surplus/(Deficit) Brought Forward	<b>2013 (30 June 2013 Carried Forward) \$</b>	<b>2013 (1 July 2012 Brought Forward) \$</b>	<b>2012 (30 June 2012 Carried Forward) \$</b>
<b>Surplus/(Deficit)</b>	<u>5,702,346</u>	<u>8,457,035</u>	<u>8,457,035</u>
<b><u>Comprises:</u></b>			
Cash - Unrestricted	1,031,957	1,762,448	1,762,448
Cash - Restricted Reserves	7,288,403	6,468,455	6,468,455
Cash - Restricted Unspent Grants	4,230,196	5,482,951	5,482,951
Rates - Current	521,454	753,344	753,344
Sundry Debtors	1,483,860	2,715,843	2,715,843
Less Provision for Doubtful Debts	(372,825)	(325,843)	(325,843)
Net GST (Payable)/Receivable	127,476	(74,944)	(74,944)
Bonds	17,860	16,371	16,371
Inventories			
- Fuel and Materials	8,720	8,338	8,338
- Leisure Centre Stock	1,886	3,528	3,528
Other Financial Assets	6,682	6,683	6,683
<b><u>Less:</u></b>			
Reserves - Restricted Cash	(7,288,403)	(6,468,455)	(6,468,455)
Sundry Creditors	(1,019,977)	(1,104,448)	(1,104,448)
Accrued Interest on Debentures	(34,101)	(28,431)	(28,431)
Accrued Salaries and Wages	(138,644)	(110,804)	(110,804)
Accrued Expenses	(7,941)	(500,331)	(500,331)
ATO Liability	(154,257)	(147,670)	(147,670)
Current Employee Benefit Provision	(1,060,643)	(1,061,651)	(1,061,651)
Add: Component of Employee Liability not required to be funded	1,060,643	1,061,651	1,061,651
<b>Surplus/(Deficit)</b>	<u>5,702,346</u>	<u>8,457,035</u>	<u>8,457,035</u>

**Difference:**

There was no difference between the Surplus/(Deficit) 1 July 2012 Brought Forward position used in the 2013 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2012 audited financial report.

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

**23. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR**

The Shire of Wyndham-East Kimberley conducted no specified area rating for the 2012/13 financial year.

**24. SERVICE CHARGES - 2012/13 FINANCIAL YEAR**

The Shire of Wyndham-East Kimberley collected no service charges for the 2012/13 financial year.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2012/13 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	5.00%	199,802	165,000
			199,802	165,000
Rate Assessment	Waiver	N/A	925	925
Rate Assessment	Write-Off	N/A	760	0

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

**26. INTEREST CHARGES AND INSTALMENTS - 2012/13 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	0	98,564	80,000
Interest on Instalments Plan	5.00%	0	25,067	20,000
			123,631	100,000
Charges on Instalment Plan		5	6,750	5,000
			130,381	105,000

Ratepayers had the option of paying rates in four equal instalments, due on 25th September 2012, 27th November 2012, 29th January 2013 and 2nd April 2013. Administration charges and interest applied for the final three instalments.

<b>27. FEES &amp; CHARGES</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Governance	1,761	2,933
General Purpose Funding	16,698	14,882
Law, Order, Public Safety	18,706	16,548
Health	23,540	57,409
Education and Welfare	127,094	115,315
Housing	190,244	188,625
Community Amenities	1,866,364	1,774,357
Recreation and Culture	466,617	399,937
Transport	3,990,147	3,858,692
Economic Services	149,056	143,927
Other Property and Services	0	0
	<u>6,850,227</u>	<u>6,572,625</u>

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

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

**28. GRANT REVENUE**

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	6,212,650	8,651,691
Non-Operating Grants, Subsidies and Contributions	3,190,645	7,952,478
	<u>9,403,295</u>	<u>16,604,169</u>
<b>By Program:</b>		
Governance	151,885	2,854,043
General Purpose Funding	3,758,417	5,481,230
Law, Order, Public Safety	27,332	24,629
Health	0	0
Education and Welfare	72,377	56,552
Housing	947,764	1,079,268
Community Amenities	617,068	423,399
Recreation and Culture	803,222	1,339,253
Transport	2,865,984	5,180,094
Economic Services	0	100,000
Other Property and Services	159,246	65,701
	<u>9,403,295</u>	<u>16,604,169</u>

**29. ELECTED MEMBERS REMUNERATION**

	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	

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

Meeting Fees	57,928	64,900	62,400
President's Allowance	19,480	19,480	18,720
Deputy President's Allowance	4,870	4,870	4,680
Travelling Expenses	5,610	5,000	4,527
Technology Allowance	7,833	8,000	9,000
Telecommunications Allowance	18,200	21,600	21,600
	<u>113,921</u>	<u>123,850</u>	<u>120,927</u>

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

	<b>2013</b>	<b>2012</b>
	<u>98</u>	<u>89</u>

**31. MAJOR LAND TRANSACTIONS**

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

**32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council did not participate in any trading undertakings or major trading undertakings during the 2012/13 financial year.

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

**33. FINANCIAL RISK MANAGEMENT**

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

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

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

The Council held the following financial instruments at balance date:

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Cash and cash equivalents	12,550,556	13,713,854	12,550,556	13,713,854
Receivables	1,777,825	3,159,715	1,777,825	3,159,715
Other Financial Assets	6,682	6,683	6,682	6,683
	<u>14,335,063</u>	<u>16,880,252</u>	<u>14,335,063</u>	<u>16,880,252</u>
<b>Financial Liabilities</b>				
Payables	1,354,920	1,966,628	1,354,920	1,966,628
Borrowings	5,745,798	2,098,791	4,150,265	2,095,672
	<u>7,100,718</u>	<u>4,065,419</u>	<u>5,505,185</u>	<u>4,062,300</u>

Fair value is determined as follows:

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

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

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

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

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	125,506	137,139
- Statement of Comprehensive Income	125,506	137,139

**Notes:**

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

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

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Receivables**

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

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

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

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

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

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

	<b>2013</b>	<b>2012</b>
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	73.91%	79.00%
- Overdue	26.09%	21.00%

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

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables**

**Borrowings**

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2013</u></b>					
Payables	1,354,920	0	0	1,354,920	1,354,920
Borrowings	478,397	3,675,787	1,591,614	5,745,798	5,745,798
	<u>1,833,317</u>	<u>3,675,787</u>	<u>1,591,614</u>	<u>7,100,718</u>	<u>7,100,718</u>
<b><u>2012</u></b>					
Payables	1,966,628	0	0	1,966,628	1,966,628
Borrowings	374,093	1,496,371	228,327	2,098,791	2,098,791
	<u>2,340,721</u>	<u>1,496,371</u>	<u>228,327</u>	<u>4,065,419</u>	<u>4,065,419</u>

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

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables  
Borrowings (Continued)**

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

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

	<b>&lt;1 year</b>	<b>&gt;1&lt;2 years</b>	<b>&gt;2&lt;3 years</b>	<b>&gt;3&lt;4 years</b>	<b>&gt;4&lt;5 years</b>	<b>&gt;5 years</b>	<b>Total</b>	<b>Weighted Average Effective Interest Rate</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
<b><u>Year Ended 30 June 2013</u></b>								
Payables								
Borrowings								
<b>Fixed Rate</b>								
Debentures	0	1,500,000	0	0	0	4,245,798	5,745,798	4.42%
Weighted Average Effective Interest Rate	0.00%	3.26%	0.00%	0.00%	0.00%	4.83%		
<b><u>Year Ended 30 June 2012</u></b>								
Payables								
Borrowings								
<b>Fixed Rate</b>								
Debentures	0	0	0	0	0	2,098,791	2,098,791	6.21%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	6.14%		

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

**REPORT ON THE FINANCIAL REPORT**

We have audited the accompanying financial report of the Shire of Wyndham – East Kimberley, which comprises the statement of financial position as at 30 June 2013, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT**

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial report.

We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

**AUDITOR'S OPINION**

In our opinion, the financial report of the Shire of Wyndham – East Kimberley is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a. giving a true and fair view of the Shire's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

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

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

**Investment Policy**

The Council's investment policy regarding the restrictions on investment of money does not comply with Financial Management Regulation 19C.

**Annual Financial Report**

The annual financial report for the year ended 30 June 2012 was not submitted to the Department of Local Government within 30 days of receiving the auditor's report as required by Financial Management Regulation 51(2).

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) Except as noted above, no matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 60 of this report, we have reviewed the calculation for the Asset Consumption Ratio as presented and nothing has come to our attention to suggest it is not:
  - i) reasonably calculated; and
  - ii) based on verifiable information.

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

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

Date: 21 January 2014  
Perth, WA

UHY HAINES NORTON  
CHARTERED ACCOUNTANTS



DAVID TOMASI  
PARTNER

**SHIRE OF WYNDHAM EAST KIMBERLEY  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2013**

**RATIO INFORMATION**

The following information relates to these ratios which only require attestation they have been checked and are supported by verifiable information.

	2013	2012	2011
Asset Consumption Ratio	0.50	0.55	N/A
Asset Renewal Funding Ratio	**	N/A	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

**N/A -In keeping with amendments to Local Government (Financial Management) Regulation 50, comparatives for the two preceding years (being 2012 and 2011) have not been reported as financial information is not available.**

\*\* It is not possible to provide an Asset Renewal Funding Ratio in relation to 2013 at this time as the information required is not available.



21 January 2014

The Shire President  
Shire of Wyndham – East Kimberley  
PO Box 614  
KUNUNURRA WA 6743

Dear Cr Moulden

### MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2013

We advise that we have completed our audit procedures for the year ended 30 June 2013 and enclose our Audit Report.

We are required under the Local Government Audit Regulations to report certain compliance matters in our audit report. Other matters which arise during the course of our audit that we wish to bring to Council's attention are raised in this management report.

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements and therefore may not bring to light all weaknesses in systems and procedures which may exist. However, we aim to use our knowledge of the Shire's organisation gained during our work to make comments and suggestions which, we hope, will be useful to you.

### COMMENT ON RATIOS

Due to legislative changes, this year saw the introduction of six new ratios in the financial report. Seven of the eight reported in previous years were removed with only the Current Ratio remaining.

Whilst we accept it may take some time for the implication of these newer ratios to be fully understood, we thought we would take this opportunity to make some comments in relation to them.

#### Current Ratio

#### Asset Sustainability Ratio

#### Debt Service Cover Ratio

#### Own Source Revenue Coverage Ratio

All of these ratios appear to be above industry benchmark levels or operating within acceptable limits.

**Two of the ratios are currently outside industry benchmarks and one ratio was not calculated. We comment on them as follows:**

#### Operating Surplus Ratio

The Operating Surplus Ratio measures the Shire's financial sustainability having regard to asset management and the community's service level needs.

The operating surplus ratio for the year ended 30 June 2013 is 0.32. This includes the one off and non cash impact of significant revenue items relating to the initial recognition of Land under the Shire's control as required by Financial Management Regulations of \$6,501,992 and reduction in the fair value of the Shire's furniture and equipment of \$111,314. If Council's operating result did not include the initial recognition of land and reduction in asset values mentioned above, the operating surplus ratio for the 2013 financial year would be -0.10 (2012: 0.05, 2011: 0.15).

A negative ratio indicates the local government is experiencing an operating deficit. A sustained period of deficits will erode the Shire's ability to maintain both its operational service level and asset base over the longer term whilst a positive ratio which is consistently above 0.15 provides the Shire with greater flexibility in meeting operational service levels and asset management requirements.



## COMMENT ON RATIOS (CONTINUED)

### **Operating Surplus Ratio (Continued)**

Whilst in raising this point, we acknowledge this is a new ratio this year and we accept it may take some time for its implication to be fully understood, it appears to be trending downwards over the last three years.

We will continue to monitor this ratio in future financial years and suggest it prudent for Council and management to do so also as they strive to manage the scarce resources of the Shire.

### **Asset Consumption Ratio**

This ratio measures the average 'aged' condition of the Shire's assets.

#### **Risk Indicators:**

##### **Low – 0.6 or greater**

Indicates a local government is investing in asset renewal to a level where a high percentage of the Shire's depreciable assets remain in an 'as new' condition.

##### **High – less than 0.5**

Indicates the Shire is having difficulty undertaking a sustained capital investment program sufficient to renew assets at a level equal to maintain the average 'aged' condition of the assets.

A ratio less than 0.5 indicates an immediate review is required of depreciation rates and assets valuations to ensure they are reasonable and are generating reliable and representative written down values. It should also prompt a review of operations and revenue raising capacity necessary to support ongoing asset renewal.

The Shire is currently reporting this ratio at 0.50 (2012: 0.55) which is in between the low and high risk industry benchmark. Consequently, care should be exercised to avoid slipping into the level where it will be difficult to maintain the "aged" condition of assets.

Interpretation of this ratio should be considered together with the Asset Sustainability Ratio and the Asset Renewal Funding Ratio.

### **Asset Renewal Funding Ratio**

The Asset Renewal Funding Ratio was not able to be calculated as the Shire's Asset Management Plan and Long Term Financial Plan have not been completed with all required information to obtain the details of capital expenditure over the next 10 years.

**To help identify gaps between planned and required capital expenditure the Shire's Asset Management Plan and Long Term Financial Plan should be updated as soon as practicable.**

## LONG SERVICE LEAVE ENTITLEMENTS

As previously reported in our management letter in respect of the year ended 30 June 2012, the Shire has received and recorded long service leave entitlements for employees who previously worked for employers in other states of Australia. Given the liability was accompanied by a matching cash payment the Shire has not incurred any additional expense.

Whilst we understand the practical reasons for such an approach, no provisions relating to the portability of long service leave from other states are currently applicable in Western Australia.

Ideally, Council should consider formulating a policy setting out procedures and rules which govern such entitlements.

As a minimum, the policy should set out the circumstances in which the entitlement will be accepted, will be held and will be paid out. It should also make specific reference with respect to its status (i.e. frozen at the amount received) and the accounting treatment surrounding such entitlements.

#### LONG SERVICE LEAVE ENTITLEMENTS (CONTINUED)

If no policy is implemented, the most prudent course of action would be a pay out these amounts immediately (at the original amount received) and make the appropriate disclosures in the payment summaries of the employees concerned. Such a practice should also not be contemplated in the future.

**This matter is still unresolved and action should be taken as soon as practicable to resolve this matter.**

#### NOTICE OF ANNUAL ELECTOR'S MEETING

The public notice of the Annual General Meeting of Electors was only placed on the notice board at the Shire office.

To help ensure full compliance with Sections 1.7(1)(a), 1.7(1)(c) and 5.29(2) of the Local Government Act, the notice of the Annual General Meeting of Electors should also be published on at least one occasion in a newspaper circulating generally throughout the district.

#### NOTICE OF AVAILABILITY OF ANNUAL REPORT

Local public notice was not given in respect to the availability of the annual report for the year ended 30 June 2012 as required by Section 5.55 of the Local Government Act.

To help ensure compliance with the Local Government Act, this requirement should be correctly addressed in future.

We noted no other matters we wish to draw to Council's attention.

#### UNCORRECTED MISSTATEMENTS

We advise there were no uncorrected misstatements noted during the course of our audit.

We take this opportunity to thank the Chief Executive Officer and all staff for the assistance provided during the audit.

Should you wish to discuss any matter relating to the audit or any other matter, please do not hesitate to contact us.

Yours faithfully



DAVID TOMASI  
PARTNER

## 6.2 COMPLIANCE AUDIT RETURN 2013

<b>DATE:</b>	11 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Gary Gaffney, Chief Executive Officer
<b>REPORTING OFFICER:</b>	Gary Gaffney, Chief Executive Officer
<b>FILE NO:</b>	CM.13.2

### **PURPOSE**

The Chief Executive Officer is required to complete and submit a Compliance Audit Return to the Director General of the Department of Local Government together with a copy of section of relevant minutes as approved by Council at an Ordinary Council Meeting by 31 March each year.

### **BACKGROUND**

Each local government is required to carry out a compliance audit for the period 1 January to 31 December against the requirements of the Compliance Audit Return. The return is completed online.

After the Compliance Audit Return has been presented to council, a certified copy of the return along with the relevant section of the minutes and any additional information explaining or qualifying the compliance audit is to be submitted to the Director General of the Department of Local Government.

The Compliance Audit is one of the tools that allows Council to monitor how the organisation is functioning in regard to compliance (or otherwise) with the various legislation that pertains to local government administration and decision making.

Regulations require that upon completion of the Compliance Audit Return the return is to be:

- presented to the Council at a meeting of the Council;
- adopted by the Council; and
- recorded in the minutes of the meeting at which it is adopted.

The Compliance Audit is undertaken using an online Compliance Audit Return that is prepared by the Department of Local Government.

### **STATUTORY IMPLICATIONS**

The Department of Local Government Compliance Framework is aimed at providing transparency about our approach to compliance as well as giving the sector and the public certainty about our approach to managing complaints made against the sector (or individuals within it).

### ***LOCAL GOVERNMENT ACT 1995 Part 7, Division 4***

### **7.13. Regulations as to audits**

- (1) Regulations may make provision —
  - (i) requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are —
    - (i) of a financial nature or not; or
    - (ii) under this Act or another written law.

## **LOCAL GOVERNMENT (AUDIT) REGULATIONS 1996**

### **14. Compliance audits by local governments**

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.
- (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —
  - (a) presented to the council at a meeting of the council; and
  - (b) adopted by the council; and
  - (c) recorded in the minutes of the meeting at which it is adopted.

[Regulation 14 inserted in Gazette 23 Apr 1999 p. 1724-5; amended in Gazette 30 Dec 2011 p. 5580-1.]

### **15. Compliance audit return, certified copy of etc. to be given to Executive Director**

- (1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —
  - (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
  - (b) any additional information explaining or qualifying the compliance audit,is to be submitted to the Executive Director by 31 March next following the period to which the return relates.
- (2) In this regulation —

**certified** in relation to a compliance audit return means signed by —

  - (a) the mayor or president; and
  - (b) the CEO.

### **POLICY IMPLICATIONS**

No policy implications apply in the preparation of this report.

### **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this item.

### **STRATEGIC IMPLICATIONS**

Goal1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability.

Objective 1.4: Business innovation, efficiency and improved service

Strategy 1.4.1: Ensure legislative compliance and follow best practice principles in planning and service delivery.

**COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

**COMMENT**

The purpose of this report is to seek endorsement from the Committee to recommend to Council the 2013 report to enable submission to the Department of Local Government prior to 31 March 2014.

**ATTACHMENTS**

The associated attachment will be provided under separate cover.

Attachment 1 – Completed Compliance Audit Report 2013

**VOTING REQUIREMENT**

Simple Majority

**OFFICERS RECOMMENDATION:**

**That the Committee recommends to Council that it adopts the Compliance Audit Return 2013**

# Attachment 1: Completed Compliance Audit Report 2013

Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia  
Department of Local Government and Communities

## Wyndham-East Kimberley - Compliance Audit Return 2013

### Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government and Communities together with a copy of section of relevant minutes.

<b>Commercial Enterprises by Local Governments</b>					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2013.	N/A		Gary Gaffney
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2013.	N/A		Gary Gaffney
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2013.	N/A		Gary Gaffney
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2013.	N/A		Gary Gaffney
5	s3.59(5)	Did the Council, during 2013, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Gary Gaffney



<b>Delegation of Power / Duty</b>						
No	Reference	Question	Response	Comments	Respondent	
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	Yes		Gary Gaffney	
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes		Gary Gaffney	
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		Gary Gaffney	
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes		Gary Gaffney	
5	s5.18	Has Council reviewed delegations to its committees in the 2012/2013 financial year.	Yes		Gary Gaffney	
6	s5.42(1),5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Gary Gaffney	
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Gary Gaffney	
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Gary Gaffney	
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Gary Gaffney	
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	N/A	Council was not required to amend or revoke a delegation during the 2013 calendar year.	Gary Gaffney	
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Gary Gaffney	
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2012/2013 financial year.	Yes		Gary Gaffney	
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		Gary Gaffney	

<b>Disclosure of Interest</b>						
No	Reference	Question	Response	Comments	Respondent	
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Yes		Gary Gaffney	
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	Yes		Gary Gaffney	



No	Reference	Question	Response	Comments	Respondent
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Gary Gaffney
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	Yes		Debbie McCallum
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes		Debbie McCallum
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2013.	Yes		Debbie McCallum
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2013.	Yes		Debbie McCallum
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Debbie McCallum
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Debbie McCallum
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Debbie McCallum
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Debbie McCallum
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Debbie McCallum
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Gary Gaffney
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	N/A		Debbie McCallum



No	Reference	Question	Response	Comments	Respondent
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	N/A		Gary Gaffney
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Gary Gaffney

**Disposal of Property**

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	N/A		Gary Gaffney
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	N/A		Gary Gaffney

**Elections**

No	Reference	Question	Response	Comments	Respondent
1	Elect Reg 30G (1)	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates.	N/A	We have a register which was not required to be used in the 2013 calendar year.	Debbie McCallum

**Finance**

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		Natalie Octoman
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	N/A		Natalie Octoman
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	N/A	Appointed in 2010	Natalie Octoman
4	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	N/A	Appointed in 2010	Natalie Octoman
5	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	N/A	Appointed in 2010	Natalie Octoman



No	Reference	Question	Response	Comments	Respondent
6	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2013 received by the local government within 30 days of completion of the audit.	Yes		Natalie Octoman
7	s7.9(1)	Was the Auditor's report for 2012/2013 received by the local government by 31 December 2013.	No	Minister advised of the delay by UHY Haines Norton, given fair value process.	Natalie Octoman
8	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	No	Still progressing given the timing of finalising accounts.	Natalie Octoman
9	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	No	Still progressing given the timing of finalising accounts.	Natalie Octoman
10	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	No	In progress given the timing of finalising accounts.	Natalie Octoman
11	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	N/A	Appointed in 2010. Agreement complied.	Natalie Octoman
12	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	N/A	Appointed in 2010. Agreement complied.	Natalie Octoman
13	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	N/A	Appointed in 2010. Agreement complied.	Natalie Octoman
14	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	N/A	Appointed in 2010. Agreement complied.	Natalie Octoman
15	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	N/A	Appointed in 2010. Agreement complied.	Natalie Octoman



<b>Local Government Employees</b>						
No	Reference	Question	Response	Comments	Respondent	
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	N/A		Gary Gaffney	
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	Yes		Gary Gaffney	
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	Yes		Gary Gaffney	
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	N/A		Gary Gaffney	
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	Yes		Gary Gaffney	

<b>Official Conduct</b>						
No	Reference	Question	Response	Comments	Respondent	
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	N/A		Gary Gaffney	
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes		Gary Gaffney	
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		Gary Gaffney	
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		Gary Gaffney	
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	Yes		Gary Gaffney	
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) (c).	Yes		Gary Gaffney	



<b>Tenders for Providing Goods and Services</b>					
No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	Yes		Kevin Hannagan
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	N/A	No multiple contracts.	Kevin Hannagan
3	F&G Reg 14(1)	Did the local government invite tenders via Statewide public notice.	Yes		Kevin Hannagan
4	F&G Reg 14, 15 & 16	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		Kevin Hannagan
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	Yes		Kevin Hannagan
6	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	Yes		Kevin Hannagan
7	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		Kevin Hannagan
8	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		Kevin Hannagan
9	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Kevin Hannagan
10	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	Yes	No EOI's	Kevin Hannagan
11	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A	No EOI	Kevin Hannagan



No	Reference	Question	Response	Comments	Respondent
12	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	N/A	No EOI	Kevin Hannagan
13	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A	No EOI	Kevin Hannagan
14	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	Yes		Kevin Hannagan
15	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$100,000 or less.	Yes		Kevin Hannagan

I certify this Compliance Audit return has been adopted by Council at its meeting on \_\_\_\_\_

\_\_\_\_\_  
 Signed Mayor / President, Wyndham-East Kimberley

\_\_\_\_\_  
 Signed CEO, Wyndham-East Kimberley

### 6.3 PROPOSED TERMS OF REFERENCE FOR AUDIT (FINANCE AND RISK) COMMITTEE

<b>DATE:</b>	11 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Natalie Octoman, Director Corporate Services
<b>REPORTING OFFICER:</b>	Natalie Octoman, Director Corporate Services
<b>FILE NO:</b>	N/A

#### **PURPOSE**

To consider endorsing the revised Committee's Terms of Reference proposed in order to assist the Council in fulfilling its governance and oversight responsibilities relating to financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability and the internal and external audit functions.

#### **BACKGROUND**

A draft Charter for the Audit (Finance and Risk) Committee was presented by Cr Addis at the 3 December 2011 Committee meeting. The Committee discussed the Charter and requested the Director Corporate Services to update the Policy to be consistent with the Shire of Wyndham East Kimberley terminology.

On 13 April 2012, the Committee subsequently resolved:

#### **COMMITTEE RESOLUTION**

##### ***Minute AC253***

***Moved: Cr J Moulden Seconded: Cr J Parker***

***That the Audit (Risk and Finance) Committee having considered and discussed the Audit (Risk and Finance) Committee – Charter, as at Attachment 3 recommends the Charter to Council for adoption.***

***Carried Unanimously: 4/0***

The Charter was endorsed by Council at the Ordinary Meeting of Council on 17 April 2012.

It should be noted that at the Ordinary Council Meeting on 25 October 2011 (Council Resolution Number 9601), the name of the Committee formally changed to be the Audit (Finance and Risk) Committee.

Since 2012, there has been an ordinary election of Council whereby the Committee membership has modified. Also, the Department of Local Government has more recently issued revised guidelines for Audit in Local Government, particularly associated with the appointment, function and responsibilities of Audit Committees (Attachment 2 - Operational Guideline Number 9: "Audit in Local Government").

## **STATUTORY IMPLICATIONS**

### **Local Government Act 1995 Part 7, Division 2**

#### **5.23. Meetings generally open to public**

- (1) Subject to subsection (2), the following are to be open to members of the public —
  - (a) all council meetings; and
  - (b) all meetings of any committee to which a local government power or duty has been delegated.

#### **7.1A. Audit committee**

- (1) A local government is to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.
- (2) The members of the audit committee of a local government are to be appointed\* by the local government and at least 3 of the members, and the majority of the members, are to be council members.

\* Absolute majority required.

- (3) A CEO is not to be a member of an audit committee and may not nominate a person to be a member of an audit committee or have a person to represent him or her as a member of an audit committee.
- (4) An employee is not to be a member of an audit committee.

#### **7.1B. Delegation of some powers and duties to audit committees**

- (1) Despite section 5.16, the only powers and duties that a local government may delegate\* to its audit committee are any of its powers and duties under this Part other than this power of delegation.

\* Absolute majority required.

- (2) A delegation to an audit committee is not subject to section 5.17.

#### **7.1C. Decisions of audit committees**

Despite section 5.20, a decision of an audit committee is to be made by a simple majority.

#### **7.3. Appointment of auditors**

- (1) A local government is to, from time to time whenever such an appointment is necessary or expedient, appoint\* a person, on the recommendation of the audit committee, to be its auditor.

\* Absolute majority required.

#### **7.12A. Duties of local government with respect to audits**

- (1) A local government is to do everything in its power to —
  - (a) assist the auditor of the local government to conduct an audit and carry out his or her other duties under this Act in respect of the local government; and

- (b) *ensure that audits are conducted successfully and expeditiously.*
- (2) *Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.*
- (3) *A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to —*
  - (a) *determine if any matters raised by the report, or reports, require action to be taken by the local government; and*
  - (b) *ensure that appropriate action is taken in respect of those matters.*
- (4) *A local government is to —*
  - (a) *prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and*
  - (b) *forward a copy of that report to the Minister,*

*by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.*

## **Local Government (Audit) Regulations 1996**

### **14. Compliance audits by local governments**

- (1) *A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.*
- (2) *After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*
- (3A) *The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.*
- (3) *After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —*
  - (a) *presented to the council at a meeting of the council; and*
  - (b) *adopted by the council; and*
  - (c) *recorded in the minutes of the meeting at which it is adopted.*

### **16. Audit committee, functions of**

*An audit committee —*

- (a) *is to provide guidance and assistance to the local government —*
  - (i) *as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
  - (ii) *as to the development of a process to be used to select and appoint a person to be an auditor;*

*and*
- (b) *may provide guidance and assistance to the local government as to —*
  - (i) *matters to be audited; and*

- (ii) *the scope of audits; and*
- (iii) *its functions under Part 6 of the Act; and*
- (iv) *the carrying out of its functions relating to other audits and other matters related to financial management; and*
- (c) *is to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to —*
  - (i) *report to the council the results of that review; and*
  - (ii) *give a copy of the CEO's report to the council.*

**17. CEO to review certain systems and procedures**

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*
  - (a) *risk management; and*
  - (b) *internal control; and*
  - (c) *legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

**POLICY IMPLICATIONS**

The Audit (Finance and Risk) Committee will be accountable for the review or creation of current or new Policies in relation to the matters contained in the Terms of Reference. These Policies would then be put to Council for endorsement.

**FINANCIAL IMPLICATIONS**

Nil

**STRATEGIC IMPLICATIONS**

Goal 1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability.

Objective 1.4: Business innovation, efficiency and improved service

Strategy 1.4.1: Ensure legislative compliance and follow best practice principles in planning and service delivery.

Strategy 1.4.2: Improve the efficiency and productivity of Shire services.

Strategy 1.4.3: Maintain Council's long term financial viability.

**COMMUNITY CONSULTATION**

There is no requirement for the community to be consulted prior to considering the adoption of the Terms of Reference for the Audit (Finance and Risk) Committee.

## **COMMENT**

The Department of Local Government has recently distributed a revised operational guideline in relation to the appointment, function and responsibilities of Audit Committees. Contained within the guideline is a model Terms of Reference for Audit Committees that is considered to be based upon leading practice.

The officer has reviewed the model and included additional components around the composition of the Committee and responsibilities of the Committee members themselves. It is the officer's opinion that the modifications made to the proposed Terms of Reference strengthens the linkages to the legislation and improves clarity around particular operational matters.

The Charter that was adopted by Council in 2012 is not entirely different to the Terms of Reference proposed. The proposed Terms of Reference have been modified for legislative changes, in particular the CEO's biennial review of the appropriateness and effectiveness of systems and procedures in regard to risk management, internal control and legislative compliance.

To ensure that this process is transparent, particularly for the newer members of the Committee, a copy of the current Charter; the revised guidelines; and the proposed Terms of Reference are attached to this item.

While there is a statutory requirement for the Shire to establish an audit committee, there is no such requirement for the Committee to adopt Terms of Reference. The consideration of such a document though, is paramount in ensuring that there is a clear understanding of the roles and responsibilities that the Committee, and its members have. It is critical that the Shire establishes and operates an effective Committee that ensures high standards are set and maintained. The Audit (Finance and Risk) Committee plays a significant role in monitoring and promoting the high standards.

Paragraph 15 of the operational guidelines states *that "the legislation specifies that a local government is required to meet with its auditor at least once in every year. The term "local government" in this context means the Council. If Council so resolved via formal delegation, a meeting between the audit committee and the auditor would satisfy this requirement."* It is the officer's recommendation that this function is delegated by Council to the Audit (Finance and Risk) Committee, and has been incorporated into the proposed Terms of Reference for the Committee accordingly.

It should also be noted that if Council determine to adopt the Committee's recommendation in relation to the proposed delegation, that each Audit (Finance and Risk) Committee Meeting would now be required to be open to the public in accordance with section 5.23 of the *Local Government Act 1995*.

## **ATTACHMENTS**

The associated attachment will be provided under separate cover.

Attachment 1 – Current Charter

Attachment 2 – Revised Operational Guideline Number 9: "Audit in Local Government"

Attachment 3 – Proposed Terms of Reference

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICERS RECOMMENDATION**

**That the Committee:**

- 1. Recommends to Council that it ratifies its decision of 25 October 2011 and expands the title of the Audit Committee to be the Audit (Finance and Risk) Committee;**
- 2. Endorses the proposed Terms of Reference (Attachment 3) as the Committee's guiding framework for corporate governance;**
- 3. Acknowledges that the proposed Terms of Reference are a revised and more up to date version of the current Charter consistent with the Department of Local Government's intent;**
- 4. Recommends to Council that it formally delegates the responsibility of meeting with the Council's auditors on an annual basis under section 7.12A(2) of the *Local Government Act 1995* to the Audit (Finance and Risk) Committee, noting that this resolution from Council would require an absolute majority;**
- 5. Notes that upon provision of the delegation for the Committee to meet with the Council's auditors on an annual basis, that all future Committee meetings must be open to the public; and**
- 6. Recommends to Council that it adopts the proposed Terms of Reference for the Audit (Finance and Risk) Committee to be effective immediately.**

### 3 Draft Charter as at 10/04/2012 – Amended by DCS

SHIRE of WYNDHAM | EAST KIMBERLEY



## Audit (Risk and Finance) Committee Charter

### OBJECTIVE

#### Statement of Intent

The Audit (Risk and Finance) Committee is an independent Committee of Council, appointed under Section 7.1A (1) of the Local Government Act. The primary objectives of the Committee are to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, good corporate governance, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.

- Financial reporting process to ensure transparency, integrity and usefulness to management and stakeholders of internal and published financial information;
- The effectiveness of the Council's internal control and risk management systems for the protection of Council's people, assets, and interests;
- The effectiveness of the independent external audit process including assessing the performance of the external auditor;
- The Council's process for monitoring compliance with legislation and regulation and policies affecting financial reporting;
- Key policies impacting the effectiveness of the Council's governance framework, including the Code of Ethics, Fraud Policy, Whistleblower Policy etc.
- The Audit (Risk and Finance) Committee is established to assist the co-ordination of relevant activities of management and the external auditor to facilitate achieving overall organisational objectives in an efficient and effective manner.

### Terms of Reference

#### General

The Audit (Risk and Finance) Committee is a formally appointed committee of the Council and is responsible to that body. Council has not delegated any powers or responsibilities of Council to the Committee.

The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to its Charter in order to facilitate decision-making by Council in relation to the discharge of its responsibilities.

The Committee does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any delegated financial responsibility. The Committee does not have any management functions and is, therefore, independent of management.

### Corporate Governance

Council recognizes the importance of good corporate governance and is committed to ensuring high standards are set and maintained. The Audit (Risk and Finance) Committee plays a significant role in monitoring and promoting these high standards.

Recognising that audit programs and internal controls are but one element of good corporate governance, the Committee will work with the Council and Council management to develop a framework for monitoring the multi dimensional elements of corporate governance.

### Membership

The Audit (Risk and Finance) Committee will comprise a minimum of three and a maximum of five members, including at least three Councillors and such external independent persons as Council may appoint. All Councillors will be entitled to attend meetings of the Committee as observers. All Committee members shall have full voting rights.

- External independent persons (if appointed) will have senior business, financial or legal knowledge and experience, and be conversant with the financial and other reporting requirements of the Council. The evaluation of potential members will be undertaken by the Committee taking account of the experience of candidates and their likely ability to apply appropriate analytical and strategic management skills, and a recommendation for appointment put to Council.
- Appointments of external persons shall be made by Council by way of a public advertisement. The terms of the appointment will generally be for a period of 3 years and should be arranged to ensure an orderly rotation and continuity of membership despite changes to Council's elected representatives. Council may reappoint current external members from time to time.
- If the Council proposes to remove a member of the Committee, it must give written notice to the member of its intention to do so and provide that member with the opportunity to be heard at a Council meeting which is open to the public, if that member so requests.
- Remuneration for attendance at Audit (Risk and Finance) Committee meetings will be paid to each independent member of the Committee on a per sitting basis. The rate of remuneration for both the chairman and Committee members will be determined by Council in setting Members Fees at Budget Adoption annually.
- Payment for the attendance of Committee members at other meetings, seminars etc. will be at the discretion of the Chief Executive Officer.
- The Chairperson shall be appointed from the members of the Committee by the Committee, subject to Council's approval. In the absence of the appointed Chairperson from a meeting, the Committee will appoint a member to the position of Acting Chairperson.
- A quorum shall be no less than three Committee members.
- The Chief Executive Officer and Director Corporate Services should attend all meetings, except when the Committee chooses to meet in camera.
- Representatives of the external auditor should be invited to attend at the discretion of the Committee but must attend meetings (including by telephone) considering the draft annual financial report and results of the external audit.
- Council shall provide secretarial and administrative support to the Committee.

### Committee Meetings

The Committee shall meet at least quarterly.

A schedule of meetings will be developed and agreed to by the members.

Additional meetings shall be convened at the discretion of the Chairperson or at the written request of any member of the Committee or external auditor.

Committee Meetings are closed to the Public.

### Reporting

The Committee shall after every meeting forward the minutes of that meeting to the next ordinary meeting of Council, including a report explaining any specific recommendations and key outcomes.

The minutes of the Audit (Risk and Finance) Committee are available to the Public.

The Committee shall report annually during November to the Council summarising the activities of the Committee during the previous financial year.

### Duties and Responsibilities

The following are the duties and responsibilities of the Committee in pursuing its Charter:-

- Review, assess and provide direction to Officers in relation to the financial management and reporting function of Council, including the credibility, timeliness and usefulness of internal and external financial reporting.
- Oversee the development by Officers of a structured workplan for the continuing improvement of Council's finance function relative to financial performance and strategic management of Council's financial performance, capacity, and sustainability.
- Review reports of external audit and the extent to which Council and management react to matters raised by external audit, by monitoring the implementation of recommendations made by external audit.
- Critically analyse and follow up any audit report that raises significant issues relating to risk management, internal control, financial reporting and other accountability or governance issues, and any other matters relevant under the Committee's terms of reference. Review management's response to, and actions taken as a result of the issues raised.
- Review, assess and provide direction to Officers in relation to the development of appropriate systems for management of risk to Council's people, assets and interests.
- Oversee the development by Officers of a structured workplan for the continuing improvement of Council's risk management systems and practices.
- Monitor the risk exposure of Council and report to Council on any significant risks arising that require special response by management or Council.
- Monitor ethical standards and related party transactions by determining whether the systems of control are adequate.
- Review acceptance and participation in the development and implementation of the highest standards of corporate governance including monitoring compliance with Council's Code of Conduct.

- Review Council's draft annual financial report, focusing on:
  - accounting policies and practices;
  - changes to accounting policies and practices;
  - the process used in making significant accounting estimates;
  - significant adjustments to the financial report (if any) arising from the audit process;
  - compliance with accounting standards and other reporting requirements;
  - significant variances from prior years.
  
- Discuss with the external auditor the scope of the audit and the planning of the audit.
  
- Discuss with the external auditor issues arising from the audit, including any management letter issued by the auditor and the resolution of such matters.
  
- Identify and refer specific projects or investigations deemed necessary through the Chief Executive Officer and the Council if appropriate. Oversee any subsequent investigation, including overseeing of the investigation of any suspected cases of fraud within the organisation.
  
- Monitor the progress of any major lawsuits facing the Council.
  
- Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference.
  
- Report to Council after each meeting, in the form of minutes or otherwise, and as necessary, and provide an annual report to Council summarising the activities undertaken during the year.
  
- Review the findings and recommendations of any examinations of Council by regulatory agencies.

The Audit (Risk and Finance) Committee, through the Chief Executive Officer and following authorisation from the Council, and within the scope of its responsibilities, may seek information or obtain advice on matters of concern from any employee, internal and external auditor and external party.

### **Conflicts of Interest**

In accordance with Section 5.6 of the Local Government Act as amended (the Act), members of the Audit (Risk and Finance) Committee are required to disclose all conflicts of interest and may not be eligible to vote on a matter or attend a meeting at which the subject of the conflict will be considered, depending on the nature of the conflict. Members of the Audit (Risk and Finance) Committee are expected to be aware of the provisions of the Act with regard to conflicts of interest and disclosure thereof. Failure to comply with the provisions of the Act with regard to conflicts of interest may result in the member's appointment being terminated.

### **Evaluating Performance**

The Audit (Risk and Finance) Committee should evaluate its own performance, both of individual members and collectively, on an annual basis.

### **Review of the Audit (Risk and Finance) Committee Charter**

The Audit (Risk and Finance) Committee should review the Committee Charter annually and agree on any changes which are to then be approved at the next ordinary meeting of Council.

**Confidentiality**

All members of the Audit (Risk and Finance) Committee are expected to be aware of their responsibilities with regard to the confidentiality of information about Council's affairs pursuant to Section 77 of the Act. Failure to comply with the provisions of the Act with regard to confidentiality may result in the member's appointment being terminated.

**GOVERNANCE REFERENCES**

<b>Statutory Compliance</b>	<i>Local Government Act Financial Management Regulations Audit Regulations</i>
<b>Industry Compliance</b>	<i>Australian Accounting Standard Australian Audit Standards</i>
<b>Organisational Compliance</b>	
<b>Process Links</b>	

**POLICY ADMINISTRATION**

<b>Directorate: Governance / Corporate Services</b>		<b>Officer Title: Director Corporate Services</b>			
Department: Corporate Services		Responsible Officer: Director Corporate Services			
<b>Date Effective</b>	DD/MM/YYYY				
<b>Date Adopted</b>	DD/MM/YYYY	<b>Last Reviewed</b>		DD/MM/YYYY	
<b>Risk Rating</b>	Medium	<b>Review</b>	Annual	<b>Next Due</b>	MM/YYYY





Government of **Western Australia**  
Department of **Local Government and Communities**

# Audit in Local Government

The appointment, function and responsibilities of Audit Committees

Local Government Operational Guidelines – **Number 09** Revised September 2013

# Audit in Local Government

## The appointment, function and responsibilities of Audit Committees

### 1. Introduction

- 1 The *Local Government Act 1995* (the Act) requires that all local governments establish an audit committee. An audit committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability and the internal and external audit functions.
- 2 The purpose of this guideline is to assist local governments to establish and operate an effective audit committee. Clear and comprehensive terms of reference, setting out the committee's roles and responsibilities, are essential and a model terms of reference for an audit committee is provided with this guideline. Matters such as the governing legislation, membership, primary roles and responsibilities of the committee and ancillary functions are also addressed. Guidance is provided to the committee as it approaches its task of appointing an external auditor through provision of a minimum standard audit specification and as it forms an opinion of the local government's internal audit requirements.

### 2. Audit Requirements, Committees And Functions

- 3 The relevant parts of the Act and regulations that relate to audit requirements, audit committees and their functions are listed below.

#### Financial Management

- 4 In relation to financial management under Part 6 of the Act, a local government is to –
  - a) prepare and adopt an annual budget in the form and manner prescribed (s. 6.2). A copy of the budget is to be sent to the Department within 30 days of adoption.
  - b) prepare an annual financial report and such other financial reports as are prescribed. The accounts of the local government and annual financial report are to be submitted to the auditor for audit by 30 September (s. 6.4).
  - c) have a municipal fund and a separate and distinct trust fund (s. 6.6).

- d) establish and maintain reserve funds for the holding of monies set aside for future use (s. 6.11).

#### Audit Requirements for Local Governments

- 5 Part 7 of the Act and the *Local Government (Audit) Regulations 1996* (the Regulations) address the situation of audit. In relation to the duties of the local government with respect to audits –
  - a) the local government is to do everything in its power to –
    - i. assist the auditor to conduct an audit and carry out his or her other duties under the Act; and
    - ii. ensure that audits are conducted successfully and expeditiously;
  - b) a local government is to meet with its auditor at least once in every year;
  - c) a local government is to examine the report of the auditor and is to –
    - i. determine if any matters raised require action to be taken by the local government; and
    - ii. ensure that appropriate action is taken in respect of those matters;
  - d) a local government is to –
    - i. prepare a report on any actions taken in respect of any matters raised in the report of the auditor; and
    - ii. forward a copy of that report to the Minister by the end of the next financial year, or six months after the last report prepared by the auditor is received by the local government, whichever is the latest in time.

#### Establishment of the Audit Committee

- 6 The Act and Regulations provide that:

In relation to the establishment of an audit committee –

- a) each local government is to establish an audit committee consisting of three or more persons to exercise the powers and discharge the duties conferred on it;
- b) members of the committee are to be appointed by an absolute majority decision of Council. At least three of the members, and the majority of the members, are to be elected members;

- c) the CEO is not to be a member of the committee and may not nominate a person to be a member or have a person to represent him or her as a member of the committee;
- d) an employee is not to be a member of the committee;
- e) the only powers and duties that can be delegated to a committee are any of the powers and duties of the local government under Part 7 of the Act; that is, those relating to audit. The committee cannot on-delegate the powers and duties delegated to it;
- f) an audit committee with a member who is a person that is not an elected member can be delegated powers and duties referred to in (e); and
- g) a decision of the committee is to be made by simple majority.

### Audit Committee Functions

- 7 The Regulations state that an audit committee –
- (a) is to provide guidance and assistance to the local government –
    - (i) as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and
    - (ii) as to the development of a process to be used to select and appoint a person to be an auditor; and
  - (b) may provide guidance and assistance to the local government as to –
    - (i) matters to be audited; and
    - (ii) the scope of audits; and
    - (iii) its functions under Part 6 of the Act; and
    - (iv) the carrying out of its functions relating to other audits and other matters related to financial management; and
  - (c) is to review a report given to it by the CEO under regulation 17(3) (the CEO’s report) and is to –
    - (i) report to the council the results of that review; and
    - (ii) give a copy of the CEO’s report to the council.
  - (d) review the annual Compliance Audit Return and report to the council the results of that review, and
  - (e) consider the CEO’s biennial reviews of the appropriateness and effectiveness of the local government’s systems and procedures in regard to risk management, internal control and legislative compliance and report to the council the results of those reviews.

## 3. Operation of Audit Committees

### Role and Responsibilities

- 8 The role of the audit committee is to support Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, internal and external audit functions and ethical accountability.
- 9 The audit committee should critically examine the audit and management reports provided by the external auditor. The committee would then determine if matters raised in the reports require action to be taken by the local government and ensure that appropriate action is implemented.
- 10 A further role for the audit committee would be to receive and authorise the report relating to the audit prepared by the CEO that is to be sent to the Minister.

This report would outline any actions the local government has taken or intends to take in relation to the matters identified by the auditor.

- 11 While a formal internal audit function could be considered to be an operational function and therefore the responsibility of the CEO, it is desirable for an internal auditor to have a direct line of communication to the Audit Committee.

The Audit Committee needs to form an opinion of the local government’s internal audit requirements and recommend a course of action that ensures that any internal audit processes adopted are appropriate, accountable and transparent. The role of the external auditor in this regard can be established at the time of appointment.

**Please note** that an audit committee (or any other committee) cannot be given a management task where the Act and Regulations make the CEO specifically responsible. Where the local government is assigned the function through the legislation, the audit committee may have a role unless the function has been delegated to the CEO by the Council.

12 The deliberations and recommendations of the committee must be independent and autonomous. Therefore, the Act prohibits the CEO being a member of the committee. However, it is essential that the CEO be given every opportunity to provide his/her expert advice to the committee as he/she does with full Council and other committees.

13 A model terms of reference is attached as Appendix 1 to assist local governments to define an appropriate role for its audit committee. When considering the model, local governments need to remember it is a guide and they can delete or modify any matters they believe not applicable.

14 It is important to note that the legislation gives the audit committee a specific role in appointing the auditor. It is to recommend to the Council who should be appointed as the auditor. Attached as Appendix 2 is a model 'Minimum Standard Audit Specification' that local governments can use when developing a process to be used to select and appoint a person to be the auditor.

Local governments can amend the document to suit their individual requirements. Any scope adopted must meet, as a minimum, the legislative requirements, as outlined in the Act and the Regulations.

15 The legislation specifies that a local government is required to meet with its auditor at least once in every year. The term "local government" in this context means the Council. If Council so resolved via a formal delegation, a meeting between the audit committee and the auditor would satisfy this requirement.

16 It is acknowledged that the requirement to meet at least once per year may incur a significant financial burden for the more remote local governments. In such circumstances the meeting can be conducted by telephone or video conference. The Council or audit committee should resolve how the meeting with the auditor will be conducted and for the record of the meeting to show that the auditor was involved and the matters discussed. It would be inappropriate for Council representatives to meet with the auditor in their offices unless they were members of the Audit Committee or a significant majority of the members are present.

17 The committee may need to liaise regularly with the external auditor to discuss the audit plan, results of the audit and implementation of any recommendations for action emerging from the audit. How communication and liaison between auditor and committee is to occur should be addressed in the agreement of appointment.

18 Advice from the auditor may address issues such as –

- (i) an assessment of accounting procedures;
- (ii) an assessment of internal controls;
- (iii) an assessment of risk;
- (iv) compliance with the Act and associated regulations;
- (v) compliance with Council policies;
- (vi) performance assessments on the efficiency and effectiveness of operations;
- (vii) processes of the internal audit;
- (viii) outcomes of the external audit prior to issue of management and audit reports; and
- (ix) changes to accounting standards and legislation and the impact on the local government.

### **Membership**

19 The Act requires that an audit committee is to consist of a minimum of 3 members and in that situation all must be council members. Where a committee consists of more than 3 members then a majority of those members must be council members. Local governments may decide to appoint a committee involving only elected members or they may appoint one or more persons who are external to the Council. If a Council considers it appropriate, the whole Council can be appointed to the audit committee.

20 If the local government wishes to appoint one or more persons other than elected members to the committee, which is recommended, it should ensure that they have the requisite knowledge and skills to provide benefit to the committee.

### **Operation of the Committee**

21 Irrespective of the membership of the committee, all legislative requirements relating to committee meetings such as advertising meeting dates, notice of meeting and keeping minutes of meetings need to be complied with.

- 22 The legislation prevents a meeting fee being paid to an external person but it is permissible for a payment to be made as a reimbursement of expenses, commensurate with the expertise and knowledge such people bring to the committee. The Council will need to determine whether payment will be offered and the level of that reimbursement payment.
- 23 Members of the committee should be encouraged to attend appropriate courses to keep them up to date with legislation, accounting and other relevant issues.

### Other Responsibilities

- 24 Local governments are required by legislation to complete a statutory compliance return (Compliance Audit Return or CAR) annually and have the return adopted by Council. The return is a checklist of a local government's compliance with the requirements of the Act and its Regulations, concentrating on areas of compliance considered "high risk."
- 25 The Audit Committee is to review the annual CAR and report to the Council the results of that review, prior to adoption of the return by Council. After adoption, the return is to be signed by the Mayor or President and the CEO prior to it being forwarded to the Department.
- 26 The Audit Committee is to consider the CEO's biennial reviews (see Regulation 17.) of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance and report to the council the results of those reviews.

Attached as Appendix 3 is information to assist in determining what falls within the terms 'risk management,' 'internal control' and 'legislative compliance.'

The audit committee could also consider proposals from the CEO as to whether the compliance audit, and the biennial reviews of risk management, internal control and legislative compliance, are undertaken internally or an external party is contracted to undertake the task. In the case of an external party the audit committee would have responsibility to receive the review report from the CEO and make recommendations on it to full Council.

## 4. The External Audit

### Appointment of the Auditor

- 27 The Act and Regulations provide that –
- a) on the recommendation of the audit committee a local government is to from time to time appoint, by absolute majority, a person to be its auditor;
  - b) the local government may appoint one or more persons as its auditor;
  - c) the local government's auditor is to be a person who is –
    - a. a registered company auditor; or
    - b. an auditor approved by the Minister;
  - d) a person may not be appointed as a local government auditor if that person is -
    - a. a councillor or employee of the local government;
    - b. in debt to the local government for more than \$5,000;
    - c. a councillor or employee of a regional local government in which the local government is a participant;
    - d. a member of an incorporated association formed by the local government; or
    - e. a class of persons as prescribed in the Regulations;
  - e) an auditor is not to be appointed for more than five years; and
  - f) the appointment of a person as an auditor is to be made by agreement in writing and is to include –
    - i. the objectives of the audit;
    - ii. the scope of the audit;
    - iii. a plan for the audit;
    - iv. details of the remuneration and expenses to be paid to the auditor; and
    - v. the method to be used by the local government to communicate with, and supply information to, the auditor.
- 28 The committee should undertake a proper selection and appointment process as part of appointing, or reappointing an auditor. If reappointment is being considered, the process should include the review of key issues as in i. to v. above.

29 It is important to realise that the Act specifies that it is a named person(s) that is appointed as auditor, not the company, or 'the partners' of the company which employs the person. Therefore, when the audit report is received it must be signed by the person(s) appointed as the auditor; it cannot be the generic signature identifying the firm.

### Conduct of the Audit

30 The Act and Regulations provide that –

- a) the auditor is required by 31 December next following the financial year to which the audit relates, to examine the accounts and annual financial report submitted for audit;
- b) the auditor is to form an opinion as to whether –
  - i. the accounts are properly kept; and
  - ii. the annual financial report –
    - is prepared in accordance with the financial records; and
    - represents fairly the results of the operations of the local government and its financial position at 30 June;
- c) the auditor is to prepare a report on the audit and within 30 days of completing the audit forward a copy to –
  - i. the mayor or president;
  - ii. the CEO of the local government; and
  - iii. the Minister;
- d) the report is to give the auditor's opinion on –
  - i. the financial position of the local government; and
  - ii. the results of the operation of the local government;
- e) the report is to include –
  - i. any material matters that indicate significant adverse trends in the financial position or the financial management practices of the local government;
  - ii. any matters indicating non-compliance with financial management requirements of the Act, Regulations and any other written law;
  - iii. details of whether information and explanations were obtained; and
  - iv. a report on the conduct of the audit; and
  - v. the opinion of the auditor as to whether or not the specific financial ratios reported are supported by verifiable information and reasonable assumptions.

- f) where it is considered appropriate to do so the auditor is to prepare a management report to accompany the auditor's report;
- g) where the auditor considers that –
  - i. there is any error or deficiency in an account or financial report;
  - ii. any money paid from, or due to the local government has been, or may have been misapplied; or
  - iii. there is a matter arising from the audit that needs to be addressed by the local government; details are to be included in the report to the Minister; and
- h) the auditor has a right of access at all reasonable times to such books, accounts, documents and assets of the local government as are in the opinion of the auditor necessary to allow the audit to be conducted.

### Scope of the Audit

- 31 The Act and Regulations prescribe the scope of the external audit of the annual financial statements of a local government.
- 32 The scope details are going to vary between local governments but as an aid a model minimum standard audit specification is attached as Appendix 2 to this guideline. Individual local governments can amend that document to suit their particular needs.

### Reporting by the Auditor

- 33 Regulations require the auditor, where appropriate, to prepare a management report to accompany the auditor's report. Although there is no legislative requirement for the auditor to prepare a management report unless he or she deems it appropriate, local government may wish to require the auditor to prepare a report on all issues identified during the audit.
- 34 The auditor, after completing the audit, is to forward a copy of his or her audit and management report to –
  - the Mayor or President;
  - the CEO of the local government; and
  - the Minister via the Department.

- 35 It is the CEO's responsibility to ensure that the external audit report is provided to the audit committee. In considering the audit and management reports presented to the audit committee, the CEO should:
- a) examine any critical matters raised in the reports that affect the financial position of the local government.
  - b) provide comment on any critical matters raised and action proposed to be taken to address those matters.
- 36 Once Council has addressed matters raised, or accepted the CEO's planned remedial action on matters raised in the audit and management reports, the CEO should provide feedback to the Department on those matters.

## Appendix 1

### Model Terms of Reference – Audit Committees

- 37 **Important:** The following Model Terms of Reference contains clauses that may not be applicable to each local government. Local governments will need to consider each clause and only adopt those that are applicable to the roles and responsibilities and delegated powers and functions that will apply to their audit committee.
- 38 The clauses that may be considered optional have been asterisked (\*).

### Objectives of Audit Committees

- 39 The primary objective of the audit committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.
- 40 Reports from the committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources. The committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the local government's financial accounting systems and compliance with legislation.
- 41 The committee is to facilitate –
- the enhancement of the credibility and objectivity of \*internal and external financial reporting;
  - \*effective management of financial and other risks and the protection of Council assets;
  - compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;
  - \*the coordination of the internal audit function with the external audit; and
  - the provision of an effective means of communication between the external auditor, \*internal auditor, the CEO and the Council.

### Powers of the Audit Committee

- 42 The Audit committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.
- 43 The committee is a formally appointed committee of council and is responsible to that body. The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The committee does not have any management functions and cannot involve itself in management processes or procedures.

### Membership

- 44 The committee will consist of \*four members with three elected and \*one external person. All members shall have full voting rights.
- 45 \*External persons appointed to the committee will have business or financial management/reporting knowledge and experience, and be conversant with financial and other reporting requirements.
- 46 \*Appointment of external persons shall be made by Council by way of a public advertisement and be for a maximum term of two years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to Council's elected representatives.
- 47 \*Reimbursement of approved expenses will be paid to each external person who is a member of the committee.
- 48 The CEO and employees are not members of the committee.
- 49 The CEO or his/her nominee is to be available to attend meetings to provide advice and guidance to the committee.
- 50 The local government shall provide secretarial and administrative support to the committee.

### Meetings

- 51 The committee shall meet at least \*quarterly.
- 52 Additional meetings shall be convened at the discretion of the presiding person.

### Reporting

- 53 Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.
- 54 \*The committee shall report annually to the Council summarising its activities during the previous financial year.

### Duties and Responsibilities

- 55 The duties and responsibilities of the committee will be –
  - a) Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits;
  - b) Develop and recommend to Council an appropriate process for the selection and appointment of a person as the local government's auditor;
  - c) Develop and recommend to Council –
    - a list of those matters to be audited; and
    - the scope of the audit to be undertaken;
  - d) Recommend to Council the person or persons to be appointed as auditor;
  - e) Develop and recommend to Council a written agreement for the appointment of the external auditor. The agreement is to include –
    - the objectives of the audit;
    - the scope of the audit;
    - a plan of the audit;
    - details of the remuneration and expenses to be paid to the auditor; and
    - the method to be used by the local government to communicate with, and supply information to, the auditor;
  - f) Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions;

- g) Liaise with the CEO to ensure that the local government does everything in its power to –
  - assist the auditor to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
  - ensure that audits are conducted successfully and expeditiously;
- h) Examine the reports of the auditor after receiving a report from the CEO on the matters and –
  - determine if any matters raised require action to be taken by the local government; and
  - ensure that appropriate action is taken in respect of those matters;
- i) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;
- j) Review the scope of the audit plan and program and its effectiveness;
- k) \*Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of Council or CEO (see reference to internal audit page 14);
- l) \*Review the level of resources allocated to internal audit and the scope of its authority;
- m) \*Review reports of internal audits, monitor the implementation of recommendations made by the audit and review the extent to which Council and management reacts to matters raised;
- n) \*Facilitate liaison between the internal and external auditor to promote compatibility, to the extent appropriate, between their audit programs;
- o) \*Review the local government's draft annual financial report, focusing on –
  - accounting policies and practices;
  - changes to accounting policies and practices;
  - the process used in making significant accounting estimates;
  - significant adjustments to the financial report (if any) arising from the audit process;
  - compliance with accounting standards and other reporting requirements; and
  - significant variances from prior years;
- p) \*Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed;
- q) \*Address issues brought to the attention of the committee, including responding to requests from Council for advice that are within the parameters of the committee's terms of reference;
- r) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the Council.
- s) Review the annual Compliance Audit Return and report to the council the results of that review, and
- t) Consider the CEO's biennial reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to the council the results of those reviews.

### Internal Audit

- 56 Many local governments have recognised the need to improve their internal auditing processes, and have moved to either employ an internal auditor or contract out the internal audit function.
- 57 Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- 58 The scope of an internal audit would be determined by the Audit committee, with input from the CEO, based on the size of the local government's internal operations and the level of compliance to be achieved. The role differs from that of the external auditor who is appointed by council on the recommendation of the Audit Committee, to report independently to it, through the mayor/president and the CEO, on the annual financial statements. The external auditor's primary role is to decide whether the annual financial statements of a local government are free of material misstatement.

- 59 There are certain functions of the internal audit that complement the external auditor's role. As the external auditor plans for an effective audit they need to assess and determine whether to include the scope, procedures and outcomes of the internal audit. The CEO must refer all internal audit reports to the Audit Committee for consideration.
- 60 An internal auditor's activities should typically include the following:
- (a) review of the internal control structure, monitoring the operations of the information system and internal controls and providing recommendations for improvements;
  - (b) a risk assessment with the intention of minimising exposure to all forms of risk on the local government;
  - (c) examination of financial and operating information that includes detailed testing of transactions, balances and procedures;
  - (d) a review of the efficiency and effectiveness of operations and services including non-financial controls of a local government;
  - (e) a review of compliance with management policies and directives and any other internal requirements;
  - (f) review of the annual Compliance Audit Return, and
  - (g) assist in the CEO's biennial reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance.
  - (h) specific tasks requested by management.
- 61 For local government, the internal auditor should report functionally to the audit committee and administratively to the CEO. It should be remembered that pursuant to section 5.41 of the Act, the CEO is responsible for the day-to-day management of council activities including the direction of staff and implicitly the internal audit function. The CEO may choose to delegate this responsibility provided always that the delegation does not directly or indirectly interfere with the ability of the Internal Auditor to conduct an internal audit function free from interference.
- 62 A clear and properly defined reporting relationship ensures that the internal auditor is empowered to perform their role working with management. The direct reporting line to the audit committee also acts as an adequate safeguard in the event of a serious breakdown in internal controls or internal control culture at senior levels in the organisation.
- 63 While it is recognised that smaller councils may not be able to justify a full-time internal auditor, a small size of operation does not justify forgoing internal audit altogether. If audit committee or management is of the view that the employment of an independent internal auditor either full-time or part-time is not warranted, it may request the council to have the internal audit function undertaken as necessary by an external contractor, or expand the role of its external auditor.
- 64 The external auditor or his or her professional company should only undertake internal audit functions that complement the external audit and do not cloud the objectivity and independence of the external audit. An external auditor must not audit information prepared by them or their accounting practice, as this is considered incompatible with the standard of independence.
- 65 Local governments that do not establish an internal audit process but require a review of the financial management systems and procedures, may decide to use the services of the external auditor for that purpose. Such reviews are to be undertaken every four years in accordance with regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.
- 66 The review of financial management systems and procedures provides the external auditor with greater assurance of systems and procedures used to prepare the annual financial statements, and whether they provide information free of material misstatement.

## Appendix 2

### Model Minimum Standard Audit Specification

67 **Important:** The following Model Minimum Standard Audit Specification may be used as the basis for the calling of tenders or seeking of quotes for the appointment of an auditor. Local governments need to consider the Model to ensure that only those clauses applicable to its requirements are used. This applies, in particular, to the "Critical matters to be audited".

#### Introduction

68 This document is provided for the assistance of auditors who wish to apply for the role of auditor with the City/Town/Shire.

69 Auditors are required to address all of the matters outlined in the specification.

70 Auditors who submit an application may be asked to provide further information and/or make a presentation to the audit committee.

#### Objectives of the Audit

71 To provide an independent audit opinion of the accounts and annual financial reports of the local government for each financial year covered by the term of the audit appointment.

#### Term of Audit Appointment

72 For the financial years commencing 1 July ..... through to 30 June..... (not more than 5 years)

#### Scope of the Audit

73 The auditor is to –

Carry out such work as is necessary to form an opinion as to whether –

- (a) the accounts are properly kept; and
- (b) the annual financial report –
  - (i) is prepared in accordance with the financial records; and

- (ii) represents fairly the results of the operations of the local government and the financial position of the local government at 30 June in accordance with the Australian Accounting Standards, the *Local Government Act 1995* (as amended)(the Act), the Local Government (Financial Management) Regulations 1996 (as amended) and other mandatory professional reporting requirements;

Give an opinion in his or her audit report on –

- (a) the financial position of the local government; and
- (b) the results of the operation of the local government;

74 Include in his or her audit report –

- (a) any material matters that indicate significant adverse trends in the financial position or the financial management practices of the local government; and
- (b) any matters indicating non-compliance with financial management or control requirements of the Act, Regulations and any other written law; and
- (c) details of whether information and explanations were obtained by the auditor; and
- (d) a report on the conduct of the audit; and
- (e) the opinion of the auditor as to whether or not the specific financial ratios reported are supported by verifiable information and reasonable assumptions.

#### Audit Methodology and Approach

75 Other requirements of the Auditor –

- (a) The auditor is required to comply with the requirements of section 7.9 of the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*;
- (b) An audit is to be carried out in accordance with accounting standards adopted from time to time by the Australian Government Auditing and Assurance Standards Board (AuASB);
- (c) The auditor is to provide the local government with a general outline of his/her methodology;

- (d) The auditor is to provide the local government with a plan for the audit including –
- timing of interim audit visits;
  - final audit visit (within 30 days of being advised that the accounts and annual financial report are available for audit);
  - timing of the legislative requirement to meet with the local government and whether that meeting will be in person or by some other means; and
  - the method to be used to communicate with, and provide advice and information to, the local government; and
- (e) The auditor is required to produce an audit report as required by section 7.9 of the *Local Government Act 1995* and, if considered appropriate by the auditor, a management report.

### Critical Matters to be Audited

76 The auditor is to include in his or her application the extent to which the critical matters outlined below will be audited so as to form an opinion on the manner in which they have been maintained.

- (i) Revenue
- Rates revenue
  - Government grants
  - User pays revenue
  - Profit on sale of non-current assets
  - Other income
- (ii) Expenditure
- Salary and wage costs
  - Depreciation
  - Materials and contract expenditure
  - Loss on sale of non-current assets
  - Insurances
  - Bad debts
  - Other expenditure
- (iii) Current Assets
- Bank and short term investments
  - Receivables and prepayments
  - Inventory
- (iv) Non-Current Assets
- Property, plant, furniture and equipment
  - Infrastructure and depreciation
  - Other receivables

- (v) Liabilities (Current and non-current)
- Creditors and accruals
  - Loan borrowings including new loans raised
  - Provision for annual and long service leave entitlements
- (vi) Reserve Funds
- (vii) Contingent Liabilities
- (viii) Capital Commitments
- (ix) Accounting Policies and Notes to the Financial Statements
- (x) Cash Flow Statement
- (xi) The financial ratios required by the *Local Government (Financial Management) Regulations 1996*

### Hours, Fees and Expenditure

77 The auditor is to provide –

- Estimate of the time to be spent on the audit;
- Fees for completing the audit in accordance with this specification;
- Nominated auditor(s) and registered company audit number(s); and
- Experience of the nominated auditors in completing local government audits.

78 The auditor is to provide a fee for any additional audit requested by Council.

### Terms

79 Conditions to be noted by auditors –

- The auditor shall not sub contract to a third party;
- The auditor shall not, and has no right to, assign the audit contract to third parties;
- The auditor shall not be engaged by the local government to undertake any financial consultancy with the local government that requires the preparation of financial information that will be the subject of the annual audit; and
- The auditor shall confirm that he or she has, and will maintain during the duration of the audit term, professional indemnity insurance covering the legal liability arising out of any neglect, default, error, or omission.

### Termination of Appointment

- 80 The appointment as auditor is terminated if –
- (a) the auditor ceases to be a registered company auditor;
  - (b) the auditor ceases to be an approved auditor under Section 7.5 of the *Local Government Act 1995*;
  - (c) the auditor is a disqualified person under Section 7.4(2) of the *Local Government Act 1995*;
  - (d) the auditor resigns by notice in writing to Council; or
  - (e) Council serves notice in writing to the auditor terminating the appointment.

### Appendix 3

#### Issues that should be considered for inclusion in the CEO's Review of Risk Management, Internal Control and Legislative Compliance

**Please note:** Section 7 of the Department's Western Australian Local Government Accounting Manual provides a comprehensive internal control framework related to internal control and risk management.

#### Risk Management

- 81 Internal control and risk management systems and programs are a key expression of a local government's attitude to effective controls. Good audit committee practices in monitoring internal control and risk management programs typically include:
- Reviewing whether the local government has an effective risk management system and that material operating risks to the local government are appropriately considered.
  - Reviewing whether the local government has a current and effective business continuity plan (including disaster recovery) which is tested from time to time.
  - Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas:
    - potential non-compliance with legislation, regulations and standards and local government's policies
    - important accounting judgements or estimates that prove to be wrong
    - litigation and claims
    - misconduct, fraud and theft
    - significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the local government.
  - Obtaining regular risk reports, which identify key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported.

- Assessing the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance.
- Reviewing the effectiveness of the local government's internal control system with management and the internal and external auditors.
- Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk.
- Assessing the local government's procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied.
- Should the need arise, meeting periodically with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government's control environment.
- Ascertaining whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks.

### Internal Control

- 82 Internal control is a key component of a sound governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. Strategies to maintain sound internal controls are based on risk analysis of the internal operations of a local government.
- 83 An effective and transparent internal control environment is built on the following key areas:
- integrity and ethics.
  - policies and delegated authority.
  - levels of responsibilities and authorities.
  - audit practices.
  - information system access and security.
  - management operating style.
  - human resource management and practices.

84 Internal control systems involve policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with legislation and achieve effective and efficient operations and may vary depending on the size and nature of the local government.

85 Aspects of an effective control framework will include:

- delegation of authority.
- documented policies and procedures.
- trained and qualified employees.
- system controls.
- effective policy and process review.
- regular internal audits.
- documentation of risk identification and assessment.
- regular liaison with auditor and legal advisors.

86 The following are examples of controls that are typically reviewed:

- separation of roles and functions, processing and authorisation;
- control of approval of documents, letters and financial records;
- comparison of internal data with other or external sources of information;
- limit of direct physical access to assets and records;
- control of computer applications and information system standards;
- limit access to make changes in data files and systems;
- regular maintenance and review of financial control accounts and trial balances;
- comparison and analysis of financial results with budgeted amounts;
- the arithmetical accuracy and content of records;
- report, review and approval of financial payments and reconciliations;
- comparison of the result of physical cash and inventory counts with accounting records.

### Legislative Compliance

87 The compliance programs of a local government are a strong indication of attitude towards meeting legislative requirements. Audit committee practices in regard to monitoring compliance programs typically include:

- Monitoring compliance with legislation and regulations.
- Reviewing the annual Compliance Audit Return and reporting to Council the results of that review.
- Staying informed about how management is monitoring the effectiveness of its compliance and making recommendations for change as necessary.
- Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints.
- Obtaining assurance that adverse trends are identified and review management's plans to deal with these.
- Reviewing management disclosures in financial reports of the effect of significant compliance issues.
- Reviewing whether the internal and / or external auditors have regard to compliance and ethics risks in the development of their audit plan and in the conduct of audit projects, and report compliance and ethics issues to the audit committee.
- Considering the internal auditor's role in assessing compliance and ethics risks in their plan.
- Monitoring the local government's compliance frameworks dealing with relevant external legislation and regulatory requirements.
- Complying with legislative and regulatory requirements imposed on audit committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest.

### Further Information

For more information about this and other guidelines, contact the Advice and Support Branch of the Department of Local Government and Communities:

Tel: (08) 6551 8700

Fax: (08) 6552 1555

Freecall: 1800 620 511 (Country Only)

Translating and Interpreting Service (TIS) – Tel: 13 14 50

### Local Government Advisory Hotline

Tel: 1300 762 511

Email: [lghotline@dlgc.wa.gov.au](mailto:lghotline@dlgc.wa.gov.au)

Opening Hours: 8.30am - 5.00pm, Monday to Friday

These guidelines are also available on the Department's website at [www.dlgc.wa.gov.au](http://www.dlgc.wa.gov.au)

### About the Guideline Series

This Guideline and others in the series are intended as a guide to good practice and should not be taken as a compliance requirement. The content is based on Departmental officers' knowledge, understanding, observation of, and appropriate consultation on contemporary good practice in local government. Guidelines may also involve the Department's views on the intent and interpretation of relevant legislation. All guidelines are subject to review, amendment and republishing as required. Therefore, comments on any aspect of the guideline are welcome. Suggested topics for future guidelines would also be welcome.



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Version	Committee Consideration	Council Adoption
V1	11 February 2014	

## **1. ESTABLISHMENT**

The Audit (Finance and Risk) Committee is established in accordance with Part 7 of the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996* which requires all local governments to establish an audit committee.

These Terms of Reference outline the Committee's objectives, powers, composition and membership, terms of membership, meetings, quorum, duties and responsibilities of both the Committee and its members.

## **2. OBJECTIVES**

The primary objective of the Audit (Finance and Risk) Committee is to accept responsibility for the annual external audit and liaise with the Shire's auditor so that Council can be satisfied with the performance of the Shire in managing its financial affairs.

Reports from the Committee will assist Council in discharging its legislative responsibilities of controlling the Shire's affairs, determining the Shire's policies and overseeing the allocation of the Shire's finances and resources. The Committee will ensure openness in the Shire's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the Shire's financial accounting systems and compliance with legislation.

The Committee is to facilitate –

- the enhancement of the credibility and objectivity of external financial reporting;
- effective management of financial and other risks and the protection of Council assets;
- compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance; and
- the provision of an effective means of communication between the external auditor, the CEO and the Council.

## **3. POWERS OF THE COMMITTEE**

The Audit (Finance and Risk) Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the Shire that have not been delegated to the CEO.

The Committee is a formally appointed Committee of Council and is responsible to that body. The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The Committee does not have any management functions and cannot involve itself in management processes or procedures.

## 4. COMPOSITION AND MEMBERSHIP

As stipulated by section 7.1A of the *Local Government Act 1995*, the Shire must:-

1. ...”establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.
2. ...at least 3 of the members, and the majority of members, are to be council members.
3. A CEO is not to be a member of an audit committee and may not nominate a person to be a member of an audit committee or have a person to represent him or her as a member of an audit committee.
4. An employee is not to be a member of an audit committee.”

Accordingly, the Shire of Wyndham East Kimberley Audit (Finance and Risk) Committee will consist of 4 council members.

In accordance with section 5.12 of the *Local Government Act 1995*:-

- (1) The members of a committee are to elect a presiding member from amongst themselves in accordance with Schedule 2.3....

With reference to the same section, members of the committee will elect a deputy presiding member from amongst themselves.

## 5. TERMS OF MEMBERSHIP

Members of the Committee are appointed by the Council. The Committee will consist of four members. All members shall have full voting rights.

The CEO or his/her nominee is to be available to attend meetings to provide advice and guidance to the committee.

Council’s Auditor may be invited to attend meetings of the Committee and should attend meetings relating to the draft annual financial report and results of the external audit.

The members of the Committee are appointed until:

- a) The person no longer holds the office by which the person became a member...; or
- b) The person resigns from membership of the committee; or
- c) The next ordinary elections day,

whichever happens first, in accordance with section 5.11 of the *Local Government Act 1995*.

## **6. MEETINGS**

The Committee shall meet at least quarterly.

Additional meetings shall be convened at the discretion of the presiding person.

As an indicative guide the Committee should meet at least quarterly with meetings arranged to coincide with relevant Council deadlines, for example, to coincide with the finalisation of the budget reviews, engagement of the External Auditors and the finalisation of the financial statements.

If the presiding member of the Committee is absent, unable or unwilling to perform the functions of presiding member, or the office of presiding member is vacant, then the deputy presiding member may perform the functions of presiding member.

If the deputy presiding member of the Committee is absent, unable or unwilling to perform the functions of presiding member, or the office of deputy presiding member is vacant, then the committee members present at the meeting are to choose one of themselves to preside at the meeting.

## **7. QUORUM**

The quorum necessary for the transaction of business shall be “at least 50% of the number of offices (whether vacant or not) of member of the committee in accordance with section 5.19 of the *Local Government Act 1995*, and in this case, means two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in it or exercisable by the Committee.

## **8. ADMINISTRATIVE SUPPORT AND REPORTING**

The CEO shall provide secretarial and administrative support to the Committee.

Reports and recommendations of each Committee meeting shall be presented to the next ordinary meeting of the Council.

## **9. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

The duties and responsibilities of the Committee will be –

- a) Provide guidance and assistance to Council as to the carrying out the functions of the Shire in relation to audits;
- b) Develop and recommend to Council an appropriate process for the selection and appointment of a person as the Shire’s auditor;
- c) Develop and recommend to Council –
  - a list of those matters to be audited; and
  - the scope of the audit to be undertaken;
- d) Recommend to Council the person or persons to be appointed as auditor;

- e) Develop and recommend to Council a written agreement for the appointment of the external auditor. The agreement is to include –
  - the objectives of the audit;
  - the scope of the audit;
  - a plan of the audit;
  - details of the remuneration and expenses to be paid to the auditor; and
  - the method to be used by the Shire to communicate with, and supply information to, the auditor;
- f) Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions;
- g) Liaise with the CEO to ensure that the Shire does everything in its power to –
  - assist the auditor to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and
  - ensure that audits are conducted successfully and expeditiously;
- h) Examine the reports of the auditor after receiving a report from the CEO on the matters and –
  - determine if any matters raised require action to be taken by the Shire; and
  - ensure that appropriate action is taken in respect of those matters;
- i) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;
- j) Review the scope of the audit plan and program and its effectiveness;
- k) Review the Shire's draft annual financial report, focusing on –
  - accounting policies and practices;
  - changes to accounting policies and practices;
  - the process used in making significant accounting estimates;
  - significant adjustments to the financial report (if any) arising from the audit process;
  - compliance with accounting standards and other reporting requirements; and
  - significant variances from prior years;
- l) Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed;
- m) Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference;
- n) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the Committee's terms of reference following authorisation from the Council;
- o) Review the annual Compliance Audit Return and report to the Council the results of that review; and

- p) Consider the CEO's biennial reviews of the appropriateness and effectiveness of the Shire's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the Committee, and report to the Council the results of those reviews.

## 10. RESPONSIBILITIES OF THE COMMITTEE MEMBERS

Members of the Committee are expected to understand and observe the legal requirements of the *Local Government Act 1995* and associated regulations.

Members are also expected to:

- Disclose financial interests in accordance with Part 5, Division 6 of the *Local Government Act 1995*;
- Act in the best interests of the Council;
- Apply good analytical skills, objectivity, and good judgement;
- Express opinions constructively and openly, raise issues that relate to the Committee's responsibilities and pursue independent lines of enquiry; and
- Contribute the time required to review the papers provided.

### GOVERNANCE REFERENCES

<b>Statutory Compliance</b>	<i>Local Government Act 1995</i> <i>Local Government (Audit) Regulations 1996</i>
<b>Industry Compliance</b>	<i>Australian Accounting Standards</i> <i>Audit Standards</i>
<b>Organisational Compliance</b>	<i>Not Applicable</i>
<b>Process Links</b>	<i>Budget Reviews</i> <i>Compliance Audit Review</i> <i>Annual Financial Statement Preparation</i> <i>CEO's Biennial Reviews</i> <i>Appointment of Auditors</i>

### POLICY ADMINISTRATION

<b>Directorate</b>		<b>Officer Title</b>		<b>Contact:</b>	
<i>Corporate Services</i>		<i>Director Corporate Services</i>		Ext: 121	
<b>Date Effective</b>	11/02/2014	<b>CEO Approved</b>			
<b>Date Adopted</b>	11/02/2014	<b>Last Reviewed</b>	11/02/2014		
<b>Risk Rating</b>	Low Medium High	<b>Review Cycle</b>	Annual	<b>Next Due</b>	11/02/15
<b>Organisational Compliance</b>	<i>Not Applicable</i>				
<b>Process Links</b>	<i>Budget Reviews</i> <i>Compliance Audit Review</i> <i>Annual Financial Statement Preparation</i> <i>CEO's Biennial Reviews</i> <i>Appointment of Auditors</i>				

## 6.4 PROPOSED CORPORATE GOVERNANCE (FINANCE AND RISK) PROJECT PLAN FOR 2014

<b>DATE:</b>	11 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Natalie Octoman, Director Corporate Services
<b>REPORTING OFFICER:</b>	Natalie Octoman, Director Corporate Services
<b>FILE NO:</b>	N/A

### **PURPOSE**

For the Committee to endorse the proposed Corporate Governance (Finance and Risk) Project Plan recognising its strategic nature and compliance focus and to recommend that Council support the Committee, and the administration, in its development.

### **BACKGROUND**

The proposed Terms of Reference that the Committee will consider adopting at this meeting on 11 February includes the following in Part 2: Objectives –

*Reports from the Committee will assist Council in discharging its legislative responsibilities of controlling the Shire's affairs, determining the Shire's policies and overseeing the allocation of the Shire's finances and resources. The Committee will ensure openness in the Shire's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the Shire's financial accounting systems and compliance with legislation.*

*The Committee is to facilitate –*

- *the enhancement of the credibility and objectivity of external financial reporting;*
- *effective management of financial and other risks and the protection of Council assets;*
- *compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance; and*
- *the provision of an effective means of communication between the external auditor, the CEO and the Council.*

The proposed Corporate Governance (Finance and Risk) Project Plan will certainly assist in addressing the areas identified that the Committee should facilitate.

### **STATUTORY IMPLICATIONS**

#### **Local Government (Audit) Regulations 1996**

#### **16. Audit committee, functions of**

*An audit committee —*

- (a) *is to provide guidance and assistance to the local government —*
  - (i) *as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
  - (ii) *as to the development of a process to be used to select and appoint a person to be an auditor;*

- and*
- (b) *may provide guidance and assistance to the local government as to —*
- (i) *matters to be audited; and*
  - (ii) *the scope of audits; and*
  - (iii) *its functions under Part 6 of the Act; and*
  - (iv) *the carrying out of its functions relating to other audits and other matters related to financial management.*

## **POLICY IMPLICATIONS**

The proposed Corporate Governance (Finance and Risk) Project Plan incorporates a range of Policies and Strategies that will be developed or reviewed, and discussed with the Committee over the coming year or so. The Policies and Strategies, once endorsed by the Committee would then be recommended to Council for adoption in order to strengthen the financial governance arrangements of the Shire.

## **FINANCIAL IMPLICATIONS**

The CEO's biennial review of systems and procedures (formerly referred to as the Financial Management Review) is required to be undertaken by 31 December 2014. At this stage the Shire does not have a budget allocation to undertake this review. It is common for the Shire's Auditors, to undertake this review in order to ensure independence, which would then essentially form a business improvement program for the Shire. It is also common for the review to be undertaken when officers are on-site undertaking the interim or year-end audit process. If the review was to be undertaken as part of the interim audit, then quotes and a budget allocation would be required for the 2013/14 financial year. If it is part of the year-end process, it could be incorporated into the 2014/15 Budget.

Quotes will be sourced within the coming weeks to ensure the Shire meets the legislated timeframe of 31 December 2014.

Many of the other actions within the proposed Corporate Governance (Finance and Risk) Project Plan can be undertaken in-house with the knowledge and expertise of current staff.

## **STRATEGIC IMPLICATIONS**

Goal 1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability.

Objective 1.4: Business innovation, efficiency and improved service

Strategy 1.4.1: Ensure legislative compliance and follow best practice principles in planning and service delivery.

Strategy 1.4.2: Improve the efficiency and productivity of Shire services.

Strategy 1.4.3: Maintain Council's long term financial viability.

## **COMMUNITY CONSULTATION**

Some of the Policies, in particular the Regional Price Preference Policy, if progressed, the community are required to be consulted. Each of these would form part of a separate briefing, report and approval process.

## **COMMENT**

While there are many responsibilities of the Committee in accordance with both the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*, establishing the Corporate Governance (Finance and Risk) Project Plan will only increase the value of the Committee in terms of the strategic advice that it could provide to Council in relation to good governance. The intention is to lift the focus of the Committee so that it's not an operational Committee, but one similar to a Board where it will focus on strategy, policy, controls and risk mitigation (as an example).

The plan is an ambitious one, particularly with the budget processes that are about to commence. At this stage, timeframes have not been mapped out given the current resourcing constraints. Irrespective, the intention is that at least one action from the proposed plan is put to each Committee meeting throughout the year to ensure progress is made.

## **ATTACHMENTS**

The associated attachment will be provided under separate cover.

Attachment 1 – Proposed Corporate Governance (Finance and Risk) Project Plan to 31 December 2014.

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

**That the Committee:**

- 1) Endorses the proposed Corporate Governance (Finance and Risk) Project Plan to 31 December 2014;**
- 2) Recommends to Council that it adopt the Corporate Governance (Finance and Risk) Project Plan of the Audit (Finance and Risk) Committee for 2014;**
- 3) Recommends to Council that it support the Committee, and the administration in its development.**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
<b>TERMS OF REFERENCE FOR COMMITTEE</b>												
<b>POLICY CREATION AND REVIEW</b>												
Investment												
Rates Concession (Rateable Land)												
Rates Exemption for Charitable Organisations (Non Rateable Land)												
Notice of Discontinuance (Rates and Debtors)												
Procurement												
Tenders												
Rating												
Sundry Debt Collection												
Financial Reserves												
Credit												
Self Supporting Loans												
Regional Price Preference												
<b>STRATEGY DEVELOPMENT</b>												
Rating Strategy - In Conjunction with Council												
Debt Strategy												
Asset Management Strategy												
<b>BUDGET REVIEWS</b>												
1st Quarter Budget Review												
2nd Quarter Budget Review												
3rd Quarter Budget Review												
<b>COMPLIANCE AUDIT RETURN</b>												
<b>ANNUAL FINANCIAL STATEMENTS</b>												
<b>CEO'S BIENNIAL REVIEW OF SYSTEMS &amp; PROCEDURES</b>												
Risk Management												
Internal Control												
Legislative Compliance												
<b>KEY PERFORMANCE INDICATORS</b>												
Rates Ageing Profile												
Debtors Ageing Profile												
Trade Payables Ageing Profile												

MEETING DATES	MEETING TYPE	REASON FOR SPECIAL MEETING
11 February	ORDINARY	
4 March	SPECIAL	2nd QBR
13 May	ORDINARY	
27 May	SPECIAL	3rd QBR
12 August	ORDINARY	
4 November	ORDINARY	
2 December	SPECIAL	1st QBR & Fin Stmts

## 6.5 REVIEW OF COUNCIL INVESTMENT POLICY CP FIN-3203

<b>DATE:</b>	11 February 2013
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Felicity Heading, Senior Finance Officer
<b>REPORTING OFFICER:</b>	Asanka Jayakody, Accountant
<b>FILE NO:</b>	CM.11.2

### **PURPOSE**

For the Audit (Finance and Risk) Committee to review and consider amendments to Investment Policy CP FIN-3203, and recommends to Council that it adopt the revised Investment Policy to ensure statutory compliance.

### **BACKGROUND**

The Council Policy - CP FIN-3203 Investment Policy was adopted on 20 December 2005 and was last reviewed on 17 February 2009. Amendments to the *Local Government (Financial Management) Regulations* require amendments to the Policy to ensure that it is compliant with the regulations.

The revised Investment Policy was presented to Council at its Ordinary Meeting on 19 November 2013 where it resolved:

### ***COUNCIL DECISION***

***Minute No. 10244***

***Moved: Cr K Wright***

***Seconded: Cr D Spackman***

***That Council defer item 13.2.4 Review of Council Investment Policy, of the November 2013 Council meeting until the next Audit Committee meeting.***

***Carried Unanimously 7/0***

Council's auditors, UHY Haines Norton, have identified in the 2012/13 Independent Auditor's Report that the current Investment Policy is not compliant, and requires updating.

### **STATUTORY IMPLICATIONS**

Amendments to the Local Government (Financial Management) Regulations 1996 are as follows:

*Local Government (Financial Management) Amendment Regulations 2012.*

#### **9. Regulation 19C inserted**

After regulation 19B insert:

##### **19C. Investment of money — s. 6.14(2)(a)**

(1) In this regulation —

***authorised institution*** means —

(a) an authorised deposit-taking institution as defined in the *Banking Act 1959* (Commonwealth) section 5; or

(b) the Western Australian Treasury Corporation established by the *Western Australian Treasury Corporation Act 1986*;

**foreign currency** means a currency except the currency of Australia.

(2) When investing money under section 6.14(1), a local government may not do any of the following —

(a) deposit with an institution except an authorised institution;

(b) deposit for a fixed term of more than 12 months;

(c) invest in bonds that are not guaranteed by the Commonwealth Government, or a State or Territory government;

(d) invest in bonds with a term to maturity of more than 3 years;

(e) invest in a foreign currency.

### **POLICY IMPLICATIONS**

The Investment Policy is a Council Policy and as such can only be amended by resolution of Council. It is however, within the Audit (Finance and Risk) Committee's Terms of Reference, to recommend Policy amendments to Council for adoption, if they are finance or risk related.

### **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this matter.

### **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

### **COMMENT**

An amendment to Council's Investment policy is required for the policy to remain compliant with the Local Government (Financial Management) Regulations 1996.

### **ATTACHMENTS**

Attachment 1 – Current Council Investment Policy CP FIN-3203

Attachment 2 – Proposed amended Council Investment Policy CP FIN-3203

Attachment 3 – Local Government Operational Guidelines – Number 19 "Investment Policy"

### **VOTING REQUIREMENT**

Simple Majority

**OFFICERS RECOMMENDATION:**

**That the Committee recommends to Council that it adopts the attached amended Council Investment Policy, CP FIN-3203 to ensure statutory compliance.**



*Shire of Wyndham East Kimberley*  
**Council Policy**  
**F17**

<b>POLICY No:</b>	<b>F17</b>
<b>DIVISION</b>	<b>Finance</b>
<b>SUBJECT:</b>	<b>Investment Policy</b>
<b>REPORTING OFFICER</b>	<b>Executive Manager of Corporate Services</b>

**Objective:**

To invest the Shire of Wyndham East Kimberley surplus funds with consideration of risk and at the most favourable rate of interest available to it at the time, for that investment type, whilst ensuring that liquidity requirements are being met.

Preservation of capital is to be the principal objective with consideration given to liquidity, cash flow requirements and return on investment.

**Legislative Requirements**

All investments are to comply with the following:

- Local Government Act 1995 – Section 6.14
- The Trustees Act 1962 – Part III Investments
- Local Government (Financial Management) Regulations 1996 – Regulations 19, 28 and 49
- Australian Accounting Standards

**Delegation of Authority**

Authority for implementation of the Investment Policy is delegated by Council to the CEO in accordance with the Local Government Act 1995. The CEO may in turn delegate the day-to-day management of Council's Investment to senior staff subject to regular reviews.

**Policy:**

*Prudent Person Standard*

Investments are to be managed with the care, diligence and skill that a "prudent person" (as derived by legislation, *Trustees Act 1962*, and case law) would exercise. Officers are to manage investments to safeguard the portfolio in accordance with the spirit of this Investment Policy, and not for speculative purposes.

*Ethics and Conflicts of Interest*

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investments, and must disclose any conflict of interest to the CEO.

*Approved Investments*

Acceptable methods of investing are:

- State/Commonwealth Government Bonds;
- Interest Bearing Deposits;
- Bank accepted/endorsed bank bills;
- Commercial paper;
- Bank negotiable Certificate of Deposits; and
- Managed funds with a minimum long term Standard & Poor (S&P) rating of “A” and a short term rating of “A2”.

*Prohibited Investments*

This policy prohibits any investment carried out for speculative purposes including:

- Derivative based instruments; (*Derivatives are financial contracts, or financial instruments, whose values are derived from the value of something else (known as the underlying). The underlying on which a derivative is based can be an asset (e.g., commodities, equities (stocks), residential mortgages, commercial real estate, loans, bonds), an index (e.g., interest rates, exchange rates, stock market indices, consumer price index (CPI) — see inflation derivatives), or other items (e.g., weather conditions, or other derivatives). Credit derivatives are based on loans, bonds or other forms of credit. The main types of derivatives are: forwards (which if traded on an exchange are known as futures); options; and swaps.*)
- Principal only investments or securities that provide potentially nil or negative cash flow; and
- Stand alone securities issued that have underlying futures, options, forwards contracts and swaps of any kind.

This policy also prohibits the use of leveraging (borrowing to invest) of an investment.

*Risk Management Guidelines*

Investments obtained are to comply with three key criteria relating to:

- Portfolio Credit Framework - to limit overall credit exposure of the portfolio
- Counterparty Credit Framework – to limit exposure to individual counterparties/institutions
- Term to Maturity Framework – limits based upon maturity of securities

*a) Overall Portfolio Limits*

To control quality on the entire portfolio, the following framework limits the percentage of the portfolio exposed to a particular credit rating category:

S & P Long Term Rating	S & P Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1+	100%	100%
AA	A-1	100%	100%
A	A-2	60%	80%

*b) Counterparty Credit Framework*

Exposure to an individual institution will be restricted by its credit rating so that single entity exposure is limited as detailed in the table below:

S & P Long Term Rating	S & P Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1+	45%	50%
AA	A-1	35%	45%
A	A-2	20%	40%

If any of the investments are downgraded such that they no longer fall within the investment policy, they will be divested as soon as practicable.

Investments fixed for greater than 12 months are to be approved by Council, reviewed on a regular term and invested for no longer than 5 years.

*c) Term to Maturity Framework*

The following maturity constraints will apply:

Overall Portfolio Term to Maturity Limits	
Portfolio % < 1 year	100 Max; 40% Min
Portfolio % > 1 year	60%
Portfolio % > 3 year	35%
Portfolio % > 5 year	25%

Individual Investment Maturity Limits	
Authorised Deposit Institution	5 years
Non Authorised Deposit Institution	3 years

Note: Authorised Deposit Institutions are corporations that are authorised under the Banking Act 1959 to take deposits from customers.

*Investment Guidelines*

Municipal funds will be invested for short to medium terms, and reserve funds for medium to long terms. To maintain accountability and transparency, municipal funds and reserve funds are to be invested in separate accounts.

For the purposes of this policy:

- “Long term” refers to a term of up to 12 months.
- “Medium term” refers to a term of up to 6 months.
- “Short term” refers to liquid investments (at call) or up to 3 months or less that are readily convertible to cash with no impairment to the original value of the investment.

Appendix B - Investment Policy checklist from Local Government Operational Guidelines – Number 19 - Investment Policy (February 2008) shall be used to assess each new investment. The form shall be retained as evidence. Three quotes will be obtained when investing any funds. Once the rate is finalised the investment must be approved by two signatories to the bank account.

#### *Investment Strategy*

An Investment Strategy will run in conjunction with this investment policy. The investment strategy will be presented to Councils Audit Committee every six months

. The Strategy will outline:

- Council's cash flow expectations
- Optimal target allocation of investment types, credit rating exposure, and term to maturity exposure and
- Appropriateness of overall investment types for Council's Portfolio

#### *Investment Advisor*

Should an Investment Advisor be appointed this must be approved by Council and be licensed by the Australian Securities and Investment Commission. Any advisor appointed must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended; and is free to choose the most appropriate product within the terms and conditions of the investment policy.

#### *Reporting and Review*

A monthly report will be provided to Council in support of the monthly statement of activity. The report will detail the investment portfolio in terms of performance, percentage exposure of total portfolio, maturity date and changes in market value (if applicable).

Documentary evidence must be held for each investment and details thereof maintained in an investment register.

Certificates will be obtained from financial institutions confirming the amounts of investments held on Council's behalf as at 30 June each year and reconciled to the Investment Register.

This Investment Policy will be reviewed at least once a year or as required in the event of legislative changes.

**ADOPTED: 20/12/2005**

**REVIEWED: 17/2/2009**

**AMENDED: 17/2/2009**



## Council Policy Number: CP FIN - 3203

### Investment Policy

#### OBJECTIVE:

*To invest the Shire of Wyndham East Kimberley surplus funds with consideration of risk and at the most favourable rate of interest available to it at the time, for that investment type, whilst ensuring that liquidity requirements are being met.*

*Preservation of capital is to be the principal objective with consideration given to liquidity, cash flow requirements and return on investment.*

- *Preservation of capital is the principal objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.*
- *The investment portfolio will ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment.*
- *The investment is expected to achieve a predetermined market average rate of return that takes into account the Council's risk tolerance. Any additional target set by Council will also consider the risk limitation and prudent investment principles.*

#### POLICY:

##### Scope & Limitations

*All investments are to comply with the following:*

- *Local Government Act 1995 – Section 6.14;*
- *The Trustees Act 1962 – Part III Investments;*
- *Local Government (Financial Management) Regulations 1996 – Regulations 19, 28 and 49 and Amendment regulations 2012; and*
- *Australian Accounting Standards.*

##### Delegation of Authority

*Authority for implementation of the Investment Policy is delegated by Council to the CEO in accordance with the Local Government Act 1995. The CEO may in turn delegate the day-to-day management of Council's Investment to senior staff subject to regular reviews.*

##### Prudent Person Standard

*Investments are to be managed with the care, diligence and skill that a "prudent person" (as derived by legislation, Trustees Act 1962, and case law) would exercise. Officers are to manage investments to safeguard the portfolio in accordance with the spirit of this Investment Policy, and not for speculative purposes.*

##### Ethics and Conflicts of Interest

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investments, and must disclose any conflict of interest to the CEO.

### Approved Investments

Without approvals from Council, investments are limited to:

- State/Commonwealth Government Bonds;
- Interest Bearing Deposits;
- Bank accepted/endorsed bank bills;
- Commercial paper;
- Bank negotiable Certificate of Deposits; and
- Managed funds with a minimum long term Standard & Poor (S&P) rating of "A" and a short term rating of "A2".

### Prohibited Investments

This investment policy prohibits any investment carried out for speculative purposes including:

- Derivative based instruments; (Derivatives are financial contracts, or financial instruments, whose values are derived from the value of something else (known as the underlying). The underlying on which a derivative is based can be an asset (e.g., commodities, equities (stocks), residential mortgages, commercial real estate, loans, bonds), an index (e.g., interest rates, exchange rates, stock market indices, consumer price index (CPI) — see inflation derivatives), or other items (e.g., weather conditions, or other derivatives). Credit derivatives are based on loans, bonds or other forms of credit. The main types of derivatives are: forwards (which if traded on an exchange are known as futures); options; and swaps);
- Principal only investments or securities that provide potentially nil or negative cash flow;
- Stand alone securities issued that have underlying futures, options, forwards contracts and swaps of any kind;
- Deposits with an institution except an authorised institution;
- (Authorised institution mean (a) an authorised deposit taking institution as defined in the Banking Act 1959 (Commonwealth) section 5: or (b) the Western Australian Treasury Corporation established by the Western Australian Treasury Corporation Act 1986);
- Deposit for a fixed term of more than 12 months;
- Investment in bond that are not guaranteed by the Commonwealth Government, or a State or Territory government;
- Invest in bonds with a term to maturity of more than 3 years; and
- Investment in a foreign currency: (foreign currency means a currency except the currency of Australia).

This policy also prohibits the use of leveraging (borrowing to invest) of an investment.

### Risk Management Guidelines

Investments obtained are to comply with three key criteria relating to:

- a) *Portfolio Credit Framework - to limit overall credit exposure of the portfolio;*
- b) *Counterparty Credit Framework – to limit exposure to individual counterparties/institutions;*
- c) *Term to Maturity Framework – limits based upon maturity of securities.*

**a) Overall Portfolio Limits**

*To control credit quality on the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to a particular credit rating category:*

S & P Long Term Rating	S & P Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1+	100%	100%
AA	A-1	100%	100%
A	A-2	60%	80%

**b) Counterparty Credit Framework**

*Exposure to an individual counterparty/institution will be restricted by its credit rating so that single entity exposure is limited as detailed in the table below:*

S & P Long Term Rating	S & P Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1+	45%	50%
AA	A-1	35%	45%
A	A-2	20%	40%

*If any of the investments are downgraded such that they no longer fall within the investment policy, they will be divested as soon as practicable.*

*Investments fixed for greater than 12 months are to be approved by Council, reviewed on a regular term and invested for no longer than 5 years.*

**c) Term to Maturity Framework**

*The investment portfolio is to be invested within the following maturity constraints:*

Overall Portfolio Term to Maturity Limits	
Portfolio % < 1 year	100 Max; 40% Min
Portfolio % > 1 year	60%
Portfolio % > 3 year	35%
Portfolio % > 5 year	25%

Individual Investment Maturity Limits	
Authorised Deposit Institution	5 years
Non Authorised Deposit Institution	3 years

*Note: Authorised Deposit Institutions are corporations that are authorised under the Banking Act 1959 to take deposits from customers.*

**Investment Advisor**

*Should an Investment Advisor be appointed they must be approved by Council and be licensed by the Australian Securities and Investment Commission. Any advisor appointed must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended; and is free to choose the most appropriate product within the terms and conditions of the investment policy.*

**Reporting and Review**

*A monthly report will be provided to Council in support of the monthly statement of activity. The report will detail the investment portfolio in terms of performance, percentage exposure of total portfolio, maturity date and changes in market value (if applicable).*

*Documentary evidence must be held for each investment and details thereof maintained in an investment register.*

**Investment Guidelines**

*Municipal funds will be invested for short to medium terms, and reserve funds for medium to long terms. To maintain accountability and transparency, municipal funds and reserve funds are to be invested in separate accounts.*

*For the purposes of this policy:*

- “Long term” refers to a term of up to a maximum of 12 months.*
- “Medium term” refers to a term of up to 6 months.*
- “Short term” refers to liquid investments (at call) or up to 3 months or less that are readily convertible to cash with no impairment to the original value of the investment.*

*Appendix B - Investment Policy checklist from Local Government Operational Guidelines – Number 19 - Investment Policy (February 2008) shall be used to assess each new investment. The form shall be retained as evidence.*

*Three quotes will be obtained when investing any funds. Once the rate is finalised the investment must be approved by two signatories to the bank account.*

**Benchmarking**

*Performance benchmarks need to be established.*

<b>Investment</b>	<b>Performance Benchmark</b>
Cash	Cash Rate
Enhanced/Direct Investments	UBSWA Bank Bill
Diversified Funds	CPI + appropriate margin over rolling 3 year periods (depending upon composition of fund)

### Investment Strategy

An Investment Strategy will run in conjunction with this investment policy. The investment strategy will be presented to Councils Audit (Finance and Risk) Committee every six months.

The Strategy will outline:

- Council's cash flow expectations
- Optimal target allocation of investment types, credit rating exposure, and term to maturity exposure; and
- Appropriateness of overall investment types for Council's Portfolio.

Certificates will be obtained from financial institutions confirming the amounts of investments held on Council's behalf as at 30 June each year and reconciled to the Investment Register.

This Investment Policy will be reviewed at least once a year or as required in the event of legislative changes.

### **GOVERNANCE REFERENCES**

<b>Statutory Compliance</b>	<i>Local Government Act 1995 – Section 6.14; The Trustees Act 1962 – Part III Investments; Local Government (Financial Management) Regulations 1996 – Regulation 19, Regulation 28 and Regulation 49</i>
<b>Industry Compliance</b>	<i>Australian Accounting Standards</i>
<b>Organisational Compliance</b>	<i>Delegations and Sub-Delegations Manual</i>
<b>Process Links</b>	<i>Investments</i>

### **POLICY ADMINISTRATION**

<b>Directorate</b>		<b>Officer Title</b>		<b>Contact:</b>	
<i>Corporate Services</i>		<i>Director Corporate Services</i>		Ext: 121	
<b>Date Effective</b>	DD/MM/YYYY	<b>CEO Approved:</b>			
<b>Date Adopted</b>	DD/MM/YYYY	<b>Last Reviewed</b>		DD/MM/YYYY	
<b>Risk Rating</b>	Low Medium High	<b>Review Cycle</b>	Annual	<b>Next Due</b>	MM/YYYY
<b>Organisational Compliance</b>	Delegations and Sub-Delegations Manual				
<b>Process Links</b>	Investments				



# Investment Policy

Local Government Operational Guidelines - Number 19 February 2008



Department of Local Government  
and Regional Development  
Government of Western Australia

[www.dlgrd.wa.gov.au](http://www.dlgrd.wa.gov.au)

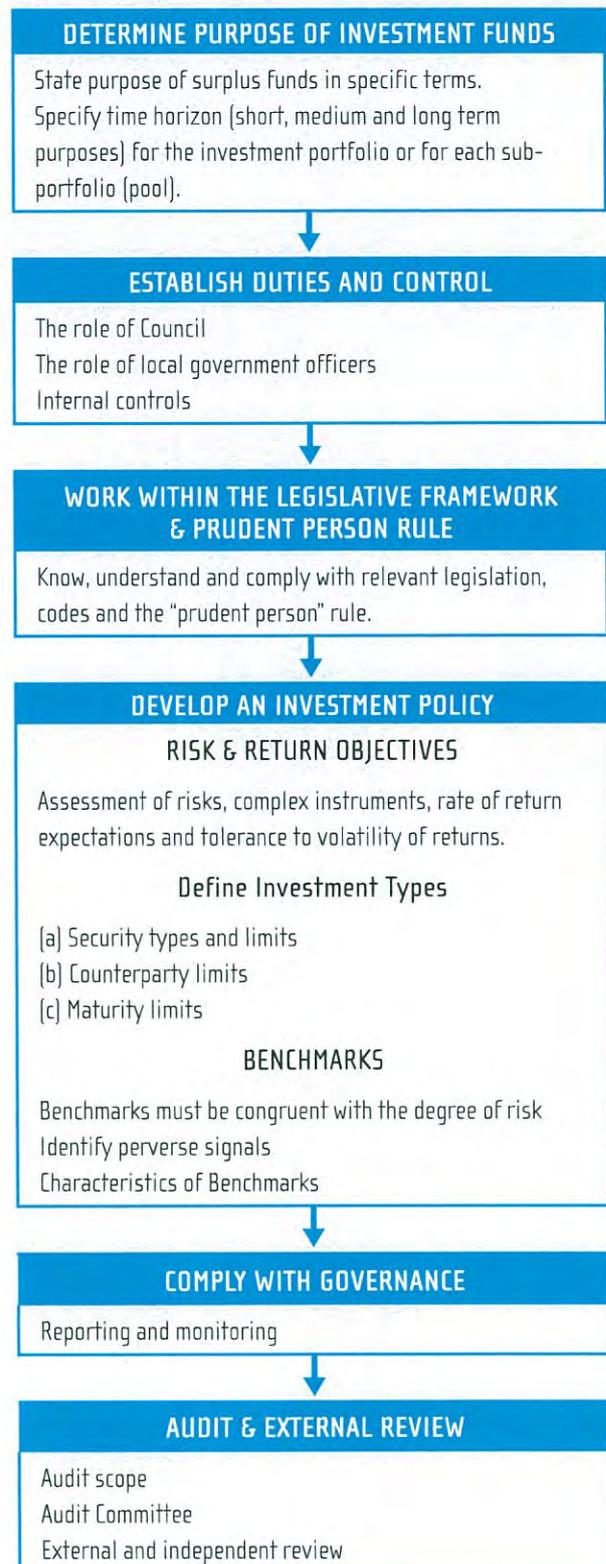
# Executive Summary

This Guideline is intended as a “best practice guide” for local governments involved in investment activities. It examines the process of constructing a robust investment policy and identifies the key issues that should be addressed by a local government when engaging in the investing of surplus funds. These are:

- purpose or specific objective for investing surplus funds;
- duties and obligations of the council and officers;
- requirement for internal control procedures;
- compliance with legislation including the *Local Government Act 1995 and Regulations*, the *Trustees Act 1962* (Prudent Person Rule) and Australian Accounting Standards;
- proper reporting and monitoring procedures;
- consideration of risk and return objectives, defined investment parameters and established benchmarks;
- recognising and being aware of market risk, maturity risk, liquidity risk, leverage risk and credit risk;
- an awareness of “deadweight costs” or a leakage of value every time an investment passes through the various financial intermediaries; and
- functions of External Auditor, Audit Committee and Independent Review.

This Guideline also includes a Sample Investment Policy, a detailed description of the different types of risk, a Sample Monthly Investment Summary, and an Investment Checklist to assist local governments in constructing their own reporting style.

The following chart identifies the key issues for a local government to consider when investing.



# Glossary of terms used in this guideline

## ADI

Authorised Deposit-Taking Institutions (ADI) are corporations that are authorised under the *Banking Act 1959* to take deposits from customers.

## Currency risk

Currency risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in foreign exchange rates.

## Credit Risk

Credit risk is the risk of loss to an investor due to counterparties failure to pay the interest and/or repay principal of an investment.

## Counterparty

Counterparty is both a legal and financial term that refers to the other individual or institution to an agreement or contract.

## Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity.

## Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in market interest rates.

## Investment Portfolio

A collection of investments.

## Liquidity Risk

Liquidity risk is the risk an investor is unable to realise at a fair price within a timely period.

## Leverage Risk

Leverage risk is the magnification of an investor's risk and return that occurs when the investor takes on financial leverage through an investment product.

## Market Risk

Market Risk is the risk that the fair value or future cash flows of an investment will fluctuate due to changes in market prices.

## Maturity Risk

Maturity Risk is the risk relating to the length of term to maturity of the investment. The larger the term, the greater the length of exposure.

## OTC – Over the Counter

Over the Counter Markets ("OTC") can generally be described as markets where financial instruments are exchanged directly between two parties rather than through the mechanism of an organised market or centralised exchange.

## Par Value

The maturity value or face value of a security that an issuer agrees to pay on maturity.

## Preservation of Capital

Preservation of capital refers to an investment strategy with the primary goal of preventing losses in an investment portfolio's total value.

## Risk Aversion

Risk aversion is the reluctance of an individual to invest in a product with a higher risk compared to a product with lower risk, but possibly lower returns.

## Rating Agencies

Credit Rating Agencies such as Standard and Poor's (S&P), Moody's and Fitch are professional organisations that provide opinion on the general credit worthiness of an obligor with respect to particular debt security or other financial obligations. Credit ratings are based, in varying degrees, on the following considerations:

- Likelihood of payment;
- Nature and provisions of the obligation;
- Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganisation or other laws affecting creditor rights.

## Speculative

A speculative deal involves deliberately taking a higher risk, in the hope of making an extraordinary gain.

## Vanilla Instrument/Transaction

A vanilla instrument is a straightforward one. These are the most basic or standard versions of a financial instrument and can be contrasted with its opposite, an exotic instrument, which alters the components of a traditional financial instrument, resulting in a more complex security. Structured products are therefore clearly not vanilla instruments. Vanilla instruments are generally also traded in more liquid markets according to more or less standardised contracts and market conventions.

## Yield

The annual rate of return on an investment.

## 1. INTRODUCTION

1. This guideline is designed to identify key issues in constructing an investment policy for local government. An investment policy provides guidance for those undertaking the investment process. Without an approved investment policy, the investment officers may make investment decisions that are not in accordance with the objectives, practices or acceptable risk intended by the local government.

2. An investment policy is a governing document that communicates an organisation's:

- investment philosophy and strategy;
- overall risk philosophy;
- investment objectives and expectations;
- delineation of roles for those involved in the investment process; and
- requirements for compliance with the policy's goals and procedures.

## 2. PURPOSE OF INVESTMENTS

3. Prior to the development of an investment policy, local government should consider each of its purposes, or specific uses for investing surplus funds. For example, a pool of funds may be continually preserved to provide immediate liquidity for ongoing operational expenses, while other pools of funds are retained to carry out specific future infrastructure projects.

4. A clear and explicit statement of each investment purpose assists to identify the risk profile of the local government and align risk and return expectations with the specific purposes for the investment funds. It thus forms a framework for the development of the investment policy and guides the manner in which funds should be invested. The purposes for which the investments are held will define limits on the maturity profile<sup>1</sup>, give guidance to the liquidity requirements and also provide direction to the selection of appropriate investment instruments for each investment pool.

<sup>1</sup> For example, if funds are invested for the purpose of carrying out an infrastructure project and are required within the next twelve months this provides a limit to the term of the investment.

5. A statement of investment purposes also provides accessible information to constituents about the nature and expectation of the investment portfolio and its components or sub-portfolios if these serve different purposes. It serves a useful function in assisting in the governance of the investment policy and helps to ensure that the audit and external review process form a judgement as to whether or not the policy is aligned with the overarching purposes for surplus funds.

## 3. DUTIES AND CONTROLS

### 3.1 Duties and Responsibilities of Local Government Officers

6. An investment policy will articulate the duties and obligations of responsible officers of local government. This is necessary to obligate officers, with respect to their investment duties, to do so with care, skill, prudence and diligence that a prudent person would exercise. The principle of acting prudently is referred to under section 4.4 of this guideline.

7. The responsible officers should provide regular reports to Council on the performance and value of the investment portfolio supported by independent advice when required on new financial products and the valuation of the portfolio.

8. When selecting investments and weighing up relevant factors in relation to products, an officer should consider the diversification, appropriateness, risk and anticipated return, and assess the performance of the financial product.

### 3.2 Duties and Responsibilities of Council

9. An investment policy sets out the objectives of Council for the allocation of the resources of a local government.

10. Responsibility for control and operation of the local government's affairs, the allocation of resources and determination of policies rests with Council.

11. The role of Council is determined by legislation and includes:
  - directing and controlling the local government's affairs;
  - being responsible for the performance of the local government's functions;
  - overseeing the allocation of the local government's finances and resources; and
  - determining the local government's policies.
12. Council should be satisfied that responsible officers have complied with the investment policy and based its decisions on informed reports.

### 3.3 Internal Control

13. Internal control encompasses the policies, processes, tasks, behaviour and other aspects of a local government that taken together:
  - facilitate the effective and efficient operation by enabling it to respond to significant operational, financial and other risks to achieve the local government's objectives including the safeguarding of assets and inappropriate use or loss of the assets;
  - provides quality of internal and external reporting; and
  - ensures compliance with legislation and internal policies.
14. Under Regulation 19 of the *Local Government (Financial Management) Regulations 1996* ("the Regulation"), a local government is to establish and document internal control procedures to be followed by employees to ensure control over investments.
15. Separation of duties forms a critical component in the management and security of the investment portfolio. Well defined controls for the management of investments should include the separation of functions for approved authority, execution of transactions and reporting.
16. The purpose for the separation of duties is to reduce the risk of potential loss and misappropriation of an organisation's funds.

17. There should be proper procedures and controls in place for the placement and redemption of investments, the receipt of income and regular valuations of the investment portfolio.

## 4. LEGISLATIVE FRAMEWORK

18. The framework used for the establishment of an investment policy and the measurement and disclosure of investments is prescribed by legislation and includes the:
  - *Local Government Act 1995*;
  - *Local Government (Financial Management) Regulations 1996*;
  - *Trustees Act 1962*; and
  - Australian Accounting Standards.
19. An investment policy should be amended so as to remain current whenever relevant legislation is enacted.

### 4.1 Local Government Act 1995

20. Section 6.14 of the *Local Government Act 1995* ("the Act") provides that "subject to regulations, money held in the municipal fund or the trust fund of a local government that is not, for the time being, required by a local government for any other purpose may be invested in accordance with "Part III of the *Trustees Act 1962*" (*Trustees Act*)".

### 4.2 Local Government (Financial Management) Regulations 1996

21. Regulation 19 of the *Local Government (Financial Management) Regulations 1996* states a local government is to "establish and document internal control procedures to be followed by employees to ensure control over investments".
22. Regulation 28 and Regulation 49 prescribe the disclosure requirements for investment in the Annual Budget and the Annual Financial Report respectively. Additional disclosure requirements are also provided under the Australian Accounting Standards.

23. As part of the reporting requirement under Regulation 34 Financial Activity Statement Report, each local government is to include in its monthly statement of financial activity any supporting information considered relevant by the local government. This should include a monthly investment summary<sup>2</sup> to ensure the performance of the investment portfolio is in accordance with anticipated returns and complies with the investment policy.

#### 4.3 Trustees Act 1962

24. Section 17 of the *Trustees Act 1962*, states “a trustee may, unless expressly prohibited by the instrument creating the trust –
- (a) invest trust funds in any form of investment; and
- (b) at any time, vary an investment or realise an investment of trust funds and reinvest money resulting from the realisation in any form of investment”.
25. Section 18(b) of the *Trustees Act 1962* includes a requirement to “exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons”.
26. Section 20 (1)(a) – (o)<sup>3</sup> of the *Trustees Act 1962* includes a list of factors to be taken into account by the investor “so far as they are appropriate to the circumstances of the trust” including (i) the risk of capital or income loss or depreciation (*Trustees Act* s20 (1)(e)); and (ii) the liquidity and marketability of the proposed investment during and on the determination of the term of the proposed investment (*Trustees Act* s20 (1)(j)).

#### 4.4 Prudent Person Rule

27. The “Prudent Person Rule” is derived by legislation and under case law to obligate the trustee to exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.
28. The concept of “prudent person” or “prudent investor” is similar in nature in tort law to a reasonable person by attempting to create an objective standard of behaviour.

<sup>2</sup> See section 6.1 Reporting

<sup>3</sup> See Appendix E -Section 20 (1) *Trustees Act 1962*

29. A local government officer must act with the care, prudence, skill and diligence that a prudent person acting in like capacity under similar circumstances would act.
30. Acting prudently applies to selecting investments, and requires an individual to consider diversification, appropriateness of the product, risk and anticipated return, liquidity, independent financial advice and to have a clear understanding of the product. The objective is to observe how a person of prudence, discretion and intelligence manages their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds.
31. The *Trustees Act 1962* also allows a trustee to obtain “independent and impartial advice reasonably required for the investment of trust funds” (*Trustees Act* s 20(2)(a)). The cost of doing so may be recovered from the trust funds (*Trustees Act* s20 (2) (b)). The purpose is to allow a trustee to obtain appropriate ‘expert’ advice where required for the ‘proper’ discharge of the *Trustees Act Pt III* obligations.

#### 4.5 Australian Accounting Standards

##### 32. AASB 132 – Financial Instruments: Disclosure and Presentation

AASB132 prescribes the financial reporting requirements for financial instruments and the requirements for disclosure in financial reports of information concerning financial instruments. Paragraphs 51-95 of the Standard, however, has been superseded by AASB 7.

##### 33. AASB 7 - Financial Instruments: Disclosures

This Standard came into operation in 1 January 2007 and supersedes the disclosure requirements in AASB 132 paragraphs 51 – 95. AASB 7 has broadened the scope of financial instruments and requires more extensive balance sheet and income statement disclosures.

34. **AASB 139 – Financial Instruments: Recognition and Measurement**

AASB139 prescribes the recognition and measurement requirements for financial instruments in financial reports.

35. **AASB 136 – Impairment of Assets**

Paragraph 126 prescribes the disclosure requirement for impairment losses. An impairment loss occurs when an asset's book value exceeds the amount able to be recovered through the use or sale of the asset.

36. For the current version of the above Standards, go to website <http://www.aasb.com.au>.

5. **INVESTMENT POLICY**

5.1 **Introduction**

37. An investment policy is a document designed to provide guidance on various matters to be considered when investing surplus monies required for the future.

38. The decision to use a particular approach on how a local government structures its policy will depend on the particular circumstances of each local government. This includes an assessment of the scale of funds under management, safeguards in place to manage the investment portfolio, the level of risk aversion<sup>4</sup>, the capability of management, systems capacity, internal procedures and controls to protect the investment and operational risk.

39. At a minimum, a local government investment policy should:

- include the investment objectives of the local government;
- define the risk aversion of the local government;
- preserve capital, provide liquidity and return the anticipated returns for the investment portfolio;
- comply with legislative requirements;
- prohibit the purchase of speculative<sup>5</sup> financial instruments;

- prohibit the use of leveraging of an investment portfolio;

- prohibit the use of the investment portfolio for speculation;

- specify an acceptable instrument list;

- require investments of the local government to be regularly re-valued to reflect prevailing market prices;

- include independent financial assessments of the value of the investment portfolio for Council;

- require investments that are downgraded to below an acceptable rating benchmark to be liquidated;

- require the status and performance of a local government's investment portfolio to be reported monthly to Council;

- where applicable, document the process to choose an external investment manager.

5.2 **Risk and Return Objectives**

40. Starting with a clear concept as to the purpose for investing the funds and then formulating clear and explicit investment objectives will ensure consistency in the development of a policy. This will guide informed decisions in regard to setting return objectives within acceptable risk parameters.

5.2.1 **Assessment of Risks**

41. All investments entail some risk. Generally, the higher the expected rate of return of an investment, the higher the risk and the greater the variability of returns. It is important that a local government recognises all risks in its investments and effectively communicates its understanding of, and tolerance to, its risk exposures in an investment policy.

<sup>4</sup> Risk aversion is the willingness to forgo possible higher returns in exchange for a lower risk.

<sup>5</sup> Instruments that have a higher element of risk.

42. Examples of the more common types of risk that local government should be aware of include, but are not limited to:

- Market Risk;
- Maturity Risk;
- Liquidity Risk;
- Credit Risk; and
- Leverage Risk.

*Refer to Appendix C for an expanded discussion on these risks and how they impact on the value of a portfolio.*

### 5.2.2 Complex and Structured Instruments Increase Risk

43. Complex and structured instruments can obscure their true risk characteristics, hiding a multiple of different types of risk. These products may incorporate embedded options or have contingent payoffs, there may be exposure to multiple counterparties, and they may be highly leveraged. Due to the difficulty in understanding, determining and quantifying the true risks associated with these instruments, the expected return of these products may not be sufficient or commensurate with their higher risk. If the risk and price of an instrument cannot be reliably measured it should not be considered acceptable for inclusion in an investment portfolio.
44. Also, complex and structured instruments can incur very large leakage in value due to issues such as:

- Products passing through a chain of intermediaries and several levels of structuring with fees being incurred at each step;
- The complexity involved and associated overheads such as the additional time and effort required to package and distribute the deal;
- These products are often traded as Over The Counter ("OTC") products with limited secondary markets and poor liquidity;
- Non standardised products that lack well established market conventions;

- Large buy/sell spreads due to limited liquidity; and
- Large financial institutions will have greater expertise in assessing the true risks of complex products and thus have significant pricing advantages in transacting in such instruments.

45. Complex financial instruments do not fit within the context of risk aversion and therefore are not congruent with a conservative appetite for risk.

*Refer to Appendix C for an expanded discussion of complex and structured products.*

### 5.2.3 Rate of Return Expectations

46. The investment policy will need to specify what the expectations are in regard to the return to be achieved by the investments. These expectations will need to be tempered by the amount of risk that the local government is willing to face.
47. A solid foundation for sound investment strategies is to *prima facie* disregard any perception that any financial instrument or asset class can provide an enhanced return without a substantive increase in risk. The adage that greater returns are only achievable at the cost of greater risk invariably applies in highly-traded and well-understood financial markets. In the absence of market distortion, such as an incorrect price, it is not possible to earn a higher return without incurring a commensurately higher level of risk.

### 5.2.4 Tolerance to Volatility of Returns

48. The riskiness of an investment is often equated to the notion of how likely or probable there will be a loss of capital. It is incorrect to simply gauge the riskiness of an investment by the likelihood of capital loss as this ignores the contribution of earnings to the return of the investment portfolio. As the time period over which the investment is held grows, the contribution of earnings becomes proportionately greater and can be of more significance than preservation of capital. It is the preservation and growth in value of the investment portfolio that matters.

49. The investment policy will need to be very clear in regard to both:

- The tolerance to capital loss; and
- The tolerance or degree to which a loss in the value of the investment portfolio can be accepted.

50. This information will then guide decisions about which instruments and which counterparties can be included within the investment portfolio.

*Refer to Appendix C for further discussion of the importance of regular market valuations for an investment portfolio.*

### 5.3 Defining Investment Types

51. Having specified the purpose, objectives and expectations in regard to investment returns and tolerance for risk, the local government is then in a good position to consider the range and allocation for the investment assets.

52. The range and allocation, or limits, of investments should also aim to produce a well diversified portfolio. Diversification is a risk management technique that involves spreading investments both between different asset classes and within an asset class. The risk of the resulting investment portfolio will be reduced without necessarily reducing return. Portfolio risk is smoothed as the strong performance of some investments offsets the poor performance of others.

#### 5.3.1 Security Types and Limits

53. The types of assets in an investment portfolio can have very different risk characteristics that will need careful evaluation as to suitability. The investment policy should specify an acceptable range of instruments based on the risk appetite of the local government, the various different ways that risk can arise and recognition that the full risk implications inherent in some products are not always transparent.

54. The investment policy should also specify maximum and minimum investment limits for acceptable security types to ensure diversification between investment classes. The degree of diversification benefit between two investment classes is dependent on the strength and direction of the relationship between them, as measured by correlation.

55. While diversification between investment classes is important, it should be performed within the constraints of acceptable security types. That is, the risk of all assets included in the investment portfolio should be known, measurable and acceptable to the local government.

#### 5.3.2 Counterparty Limits Manage Credit Exposures

56. The purpose of diversification of counterparties is to ensure that no single counterparty would undermine the capital preservation objective of the portfolio. An investment policy should outline diversification requirements and avoid high concentrations to any one issue, issuer, industry or geographic area.

57. Grouping or categorizing counterparties based on broad external characteristics or credit ratings and ignoring risk may result in the inappropriate allocation of limits. For example, despite being monitored by the Australian Prudential Regulatory Authority (APRA), Authorised Deposit Taking Institutions (ADIs<sup>6</sup>) are comprised of a large number of entities that may not all share the same credit risk.

58. Not only is there diversity in the credit quality of the institutions within this group, there are also differences in the nature and characteristics of the instruments issued by the institutions. For example, the senior debt instrument of a major bank will be very different to a sub-ordinated debt instrument of a regional bank. Again ratings may help but will not give a full reflection of risk on their own<sup>7</sup>. It is necessary to examine all the risk characteristics of the instruments such as liquidity, maturity, the degree of options and other structuring embedded in the instrument and so on.

<sup>6</sup> Authorised Deposit-Taking Institutions (ADI) – corporations that are authorised under the *Banking Act 1959* to take deposits from customers.

<sup>7</sup> As an example, care should be taken to look at the rating of the debt instrument not the issuer. While a particular entity may have a rating it can issue a debt instrument that is not rated.

59. In order to set minimum standards for the credit quality of counterparties and ensure diversification of credit exposures, the investment policy should provide a list of acceptable counterparties and appropriate investment limits. Limits may be set for individual counterparties or counterparty categories.
60. Investment counterparties should be defined by prescribing the types of institutions acceptable to the local government and, for each, minimum credit rating requirements. Entities without a credit rating should not be considered an acceptable counterparty.
61. While explicit reliance will be placed on credit ratings, on their own they may not adequately describe credit risk for the purpose of setting limits. The local government should also consider:
- The type of institution within a credit rating band. For example, the four major Australian banks, ANZ Bank, Commonwealth Bank of Australia, National Australia Bank and Westpac Bank, may be allocated higher limits than similarly rated institutions because of the significant share they have of the Australian market and financial market activity;
  - The types of credit rating applicable in the investment policy. That is, are rating types such as long-term senior unsecured debt ratings and structured issue ratings considered the same for the purpose of setting limits in the investment policy;
  - Limits for related counterparties. Exposures for related counterparties (i.e., those with parent/subsidiary relationship, common parent or guarantee from the parent) should be aggregated for counterparty investment limits; and
  - Capitalisation restrictions limiting investments to the lesser of an approved proportion of a counterparty's capital funds or the limit prescribed by the policy for its rating and type.

### 5.3.3 Maturity Limits

62. The investment policy should also specify maturity limits to ensure credit exposure and liquidity risk are maintained within the risk tolerance of the local government.

p10.

63. The risk of default of an investment increases with its term to maturity. Separate maturity limits may be required for different types of investment securities and different counterparty categories according to their inherent risk. For example, the investment policy may prescribe a maturity limit of ten years for Australian Commonwealth Government securities, while setting a maturity limit of three years for an A/A2 rated bank.
64. In setting maturity limits, the full exposure of the local government is the length of time until it is entitled to regain full control of the invested funds. If option features are included in the investment product, the counterparty may have the ability to lengthen the investment contract with the local government. The investment policy should be clearly worded so maturity limits are applied to the actual maturity of investment products and are not applied to option call or put dates or interest rate reset dates.
65. Liquidity requirements should also be reflected in the investment policy maturity limits. Sufficient funds should be invested in short-term investment securities to meet the cash flow requirements of the local government.

## 5.4 Benchmarks

66. An appropriate benchmark is the starting point for evaluating investment outcomes against investment objectives. The benchmark communicates important information on how well investments are matched to risk and return expectations of the local government and helps to ensure that expectations are reasonable.

### 5.4.1 Benchmark Must be Congruent with the Degree of Risk

67. The benchmark must encompass both risk and return. A good benchmark does not consider performance in isolation but is concerned with maximising return for a level of risk acceptable to the local government. The benchmark must therefore be constructed to reflect the "neutral" position of the local government, incorporating its risk tolerance and any critical requirements of the investment policy such as maturity structure, appropriate allocations to investment classes and liquidity requirements. In the absence of comparison to the neutral position, it will be impossible to assess how much extra return is earned for the level of risk undertaken.

#### 5.4.1 Benchmarks Can Send Perverse Signals

68. Great care should be taken in setting benchmarks as arbitrary performance hurdle rates can have a perverse impact. Setting inappropriate benchmarks and performance hurdles will send incorrect signals about the types of investments that should be included in an investment portfolio and can encourage risk taking behaviour that is not in line with the investment objectives stipulated.
69. Setting benchmarks that do not reflect the risk in the class of instruments to be held within an investment portfolio can lead to potentially distorting behaviour. Take, for example, a performance target of 0.50% above a bank bill index. Now consider what is required to achieve this target. Quite clearly it will require the injection of quite a degree of risk into the portfolio. It is not possible to achieve the additional return with the instruments that form the benchmark and thus the benchmark will force investments in instruments that fall outside the benchmark. Setting performance hurdles above an accurate benchmark will force additional risk taking if the benchmark is to be met.

#### 5.4.3 Characteristics of a Benchmark

70. The characteristics of a good investment benchmark are as follows<sup>8</sup>:
- Representative of investment asset class or mandate;
  - Investable;
  - Constructed in an objective manner;
  - Formulated from publicly available information;
  - Acceptable to local government as the neutral position; and
  - Consistent with underlying investor status (for example, time horizon).

71. The benchmark will generally be constructed from one, or a combination, of<sup>9</sup>:
- A well-recognised published index;
  - A tailored composite of assets or indices; or
  - A peer group ("universe") of similar funds or portfolios.
72. While published indices are preferred, the constructed benchmark must be consistent with the investment asset. For example, it is not adequate to benchmark investment returns against the returns on a short-term bank bill index when the risk characteristics of the investment portfolio differ dramatically. For investment assets with unique or structured elements, a widely recognised comparable index is unlikely to exist. It will be necessary to set the benchmark as a universe benchmark or a target return level relative to an index (or composite) with an acceptable level of variation around that target as a proxy risk measure. Difficulties arise as there is no established oversight process for determining whether the universe or variation measure accurately represents the risk of the investment asset.
73. Benchmarks can be misused. Poorly constructed benchmarks can undermine the effectiveness of investment objectives. If an appropriate benchmark cannot be constructed for a particular investment asset, it is unlikely to be suitable for local government investment objectives.

*See Appendix A for an example of a local government investment policy and Appendix B is a checklist of questions to be asked when making investment decisions.*

<sup>8</sup> AIMR Benchmark and Performance Attribution Subcommittee Report, 1998

<sup>9</sup> AIMR Benchmark and Performance Attribution Subcommittee Report, 1998

## 6 GOVERNANCE

74. Corporate governance for the local government involves ensuring that the actions of the local government are directed at securing the best outcomes for its residents and ratepayers. Good governance strengthens credibility and confidence. In order for a Council to fulfil its statutory duties<sup>10</sup> it needs to ensure there are proper policies and procedures in place to safeguard a local government's resources.

75. A central tenant of good corporate governance is the role of the Council in the protection of the interest of the residents and ratepayers. It is essential that the Council monitors the pursuit of self interest by corporate insiders and ensures that management and other corporate insiders do not pursue pet projects to the detriment of the organisation. This stewardship also encompasses guarding against the incentives of other "non-equity" shareholders such as banks, advisors and others.

76. Good governance is about ensuring that the appropriate checks and balances are in place. Councils must have in place robust and transparent financial governance policies and procedures directed to the oversight of the financial management responsibilities identified in the investment policy.

77. Paramount to good governance is the independence of the Council. The Council must remain vigilant to ensure that it does not become a "corporate insider".

### 6.1 Reporting

78. Council has a responsibility to measure the performance of its investments and to report its position to its residents and ratepayers. All reporting must be transparent to both the Council and the residents and ratepayers and must comply with the legislative requirements outlined<sup>11</sup>.

79. Monthly reporting of investment activity should include, but not be limited to, the following:

- a list of securities by maturity date;
- the percentage of the portfolio held by investment type and by counterparty<sup>12</sup>;
- the value of the investment portfolio;

- reporting on investment category and disclosure of market value, par value and maturity dates;
- where applicable, the comparison of performance against anticipated return and reference against benchmarks; and,
- a note on compliance with investment policy or explanation of breaches.

*See Appendix F for a sample monthly investment report.*

### 6.2 Monitoring

80. Constant review and monitoring of investment portfolios help to ensure the Council's intended outcome can be achieved. The following are the principal goals of monitoring an investment's performance and should extend to the content of the reporting.

- assess the extent to which each individual or pooled investment objectives are being achieved;
- monitor exposures against acceptable benchmarks by investment type, counterparty, credit rating and by investment maturity;
- monitor the movements in market values for valuation purposes;
- certify that investments are in accordance with Council policy and legislative requirements;
- compare the performance of the appointed managers against the performance of other relevant professional managers and market related indices; and
- continually assess the ability of each manager and their investment portfolio to successfully meet each investment objective.

81. Monitoring is not limited to the above and may extend to the undertaking of a review of the local government's own performance in respect of its governance of its investment portfolio.

82. Council and/or responsible officers should review the investment strategy with an independent investment adviser at least once a year. An annual review allows Council to reassess its position and revise its strategy.

<sup>10</sup> See Section 3 Duties and Controls.

<sup>11</sup> See Section 4 Legislative Framework

<sup>12</sup> Other parties in the agreement or contract

## 7 AUDIT AND EXTERNAL REVIEW

### 7.1 Audit Scope

83. The scope of the external audit is prescribed by legislation and is principally a review of the annual financial statements. It does not include reviews of accounting systems and procedures, internal control and Council policies.
84. Legislation requires the auditor to form an opinion on whether:
- The accounts are properly kept; and
  - The annual financial report:
    - complies with the requirements of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996*, and applicable Australian Accounting Standards;
    - is prepared in accordance with the financial records; and
    - represents fairly the results of the operations of the local government and its financial position at 30 June.
85. The auditor is to prepare a report on the audit and give an opinion on:
- the financial position of the local government; and
  - the results of the operations of the local government.
86. Where it is considered appropriate to do so, the auditor is to prepare a management report to accompany the auditors report.
87. The minimum audit requirement prescribed by legislation may be extended to include other matters recommended by the audit committee and adopted by Council.

### 7.2 Audit Committee

88. Local governments are required by the Act to have an audit committee. The committee is a formally appointed committee of Council with the primary responsibility for reviewing the scope of the audit, undertaking the selection process of the external auditor and to liaise with the auditor on the performance and management of a local government's financial affairs.

89. The committee does not have any executive powers or authority to implement actions in areas over which the CEO has legislative authority and does not have any delegated financial responsibility. The committee does not have any day to day management functions and cannot involve itself in management processes or procedures.
90. Reports from the audit committee are designed to assist Council in discharging its legislative responsibility for determining policy and overseeing the allocation of a local government's finances and resources.
91. The audit committee may review the scope of the audit and extend this scope to include, for example:
- a review of accounting procedures and controls;
  - an assessment of risk;
  - a review of Council policies;
  - an assessment of compliance with legislation and audit of the annual compliance return.

### 7.3 External Independent Review

92. A well constructed investment policy with clear objectives will facilitate an external review. The review should act as an intermediary to confirm that the investments explicitly align with the investment policy.
93. Local government officers should ensure that before new investments are made they establish whether a product complies with the investment policy and where necessary obtain independent financial advice in writing on the nature and risk of the financial product.
94. New investments and regular valuations of the investment portfolio should be undertaken by independent financial experts that do not deal with or have a conflict of interest when they provide financial advice. This may be stipulated in the engagement letter appointing the financial advisor.
95. Regular reviews should be undertaken by an independent financial advisor on the performance and value of the investment portfolio and conformity with the investment policy. Reports should be prepared and sent to the audit committee and Council if required under the audit scope.

# Appendix A – Sample Investment Policy

## Objectives

To invest the local government's surplus funds, with consideration of risk and at the most favourable rate of interest available to it at the time, for that investment type, while ensuring that its liquidity requirements are being met.

While exercising the power to invest, consideration is to be given in preservation of capital, liquidity, and the return of investment.

- Preservation of capital is the principal objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.
- The investment portfolio will ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment.
- The investment is expected to achieve a predetermined market average rate of return that takes into account the Council's risk tolerance. Any additional return target set by Council will also consider the risk limitation and prudent investment principles.

## Legislative Requirements

All investments are to comply with the following:

- *Local Government Act 1995* – Section 6.14;
- *The Trustees Act 1962* – Part III Investments;
- *Local Government (Financial Management) Regulations 1996* – Regulation 19, Regulation 28, and Regulation 49
- Australian Accounting Standards

## Delegation of Authority

Authority for implementation of the Investment Policy is delegated by Council to the CEO in accordance with the *Local Government Act 1995*. The CEO may in turn delegate the day-to-day management of Council's Investment to senior staff or Chief Financial Officer subject to regular reviews.

## Prudent Person Standard

The investment will be managed with the care, diligence and skill that a prudent person would exercise. Officers are to manage the investment portfolios to safeguard the portfolios in accordance with the spirit of this Investment Policy, and not for speculative purposes.

## Ethics and Conflicts of Interest

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. This policy requires officers to disclose any conflict of interest to the CEO.

## Approved Investments

Without approvals from Council, investments are limited to:

- State/Commonwealth Government Bonds;
- Interest bearing deposits;
- Bank accepted/endorsed bank bills;
- Commercial paper;
- Bank negotiable Certificate of Deposits; and
- Managed Funds with a minimum long term Standard & Poor (S&P) rating of "A" and short term rating of "A2".

## Prohibited Investments

This investment policy prohibits any investment carried out for speculative purposes including:

- Derivative based instruments;
- Principal only investments or securities that provide potentially nil or negative cash flow; and
- Stand alone securities issued that have underlying futures, options, forwards contracts and swaps of any kind.

This policy also prohibits the use of leveraging (borrowing to invest) of an investment.

## Risk Management Guidelines

Investments obtained are to comply with three key criteria relating to:

- a) Portfolio Credit Framework: limit overall credit exposure of the portfolio
- b) Counterparty Credit Framework: limit exposure to individual counterparties/institutions
- c) Term to Maturity Framework: limits based upon maturity of securities.

### a) Overall Portfolio Limits

To control the credit quality on the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1+	100%	100%
AA	A-1	100%	100%
A	A-2	60%	80%

### b) Counterparty Credit Framework

Exposure to an individual counterparty/institution will be restricted by its credit rating so that single entity exposure is limited, as detailed in the table below:

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum%	Managed Funds Maximum %
AAA	A-1+	45%	50%
AA	A-1	35%	45%
A	A-2	20%	40%

If any of the local government investments are downgraded such that they no longer fall within the investment policy, they will be divested as soon as practicable.

Investments fixed for greater than 12 months are to be approved by Council and reviewed on a regular term and invested for no longer than 5 years.

### c) Term to Maturity Framework

The investment portfolio is to be invested within the following maturity constraints:

Overall Portfolio Term to Maturity Limits	
Portfolio % <1 year	100 Max; 40% Min
Portfolio % >1 year	60%
Portfolio % >3 year	35%
Portfolio % >5 year	25%
Individual Investment Maturity Limits	
ADI	5 years
Non ADI	3 years

## Investment Advisor

The local government's investment advisor must be approved by Council and licensed by the Australian Securities and Investment Commission. The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended; and is free to choose the most appropriate product within the terms and conditions of the investment policy.

## Measurement

The investment return for the portfolio is to be regularly reviewed by an independent financial advisor by assessing the market value of the portfolio. The market value is to be assessed at least once a month to coincide with monthly reporting.

## Benchmarking

Performance benchmarks need to be established.

Investment	Performance Benchmark
Cash	Cash Rate
Enhanced/Direct Investments	UBSWA Bank Bill
Diversified Funds	CPI + appropriate margin over rolling 3 year periods (depending upon composition of fund)

## Reporting and Review

A monthly report will be provided to Council in support of the monthly statement of activity. The report will detail the investment portfolio in terms of performance, percentage exposure of total portfolio, maturity date and changes in market value.

An Investment Strategy will run in conjunction with the investment policy. The investment strategy will be reviewed with an independent investment adviser every six months with a more formal review once a year. The Strategy will outline:

- Council's cash flow expectations;
- Optimal target allocation of investment types, credit rating exposure, and term to maturity exposure and;
- Appropriateness of overall investment types for Council's portfolio.

This Investment Policy will be reviewed at least once a year or as required in the event of legislative changes.

Documentary evidence must be held for each investment and details thereof maintained in an investment Register.

Certificates must be obtained from the financial institutions confirming the amounts of investments held on the Council's behalf as at 30 June each year and reconciled to the Investment Register.

# Appendix B – Investment Policy Check List

This check list provides a series of questions to be considered by local government officers responsible for the investment activity. It is intended to act as a comprehensive but not all-inclusive guide.

This check list is comprised of three components:

## Part A - General Products Check List

General questions to consider when investing in simple or 'vanilla' products that are straight forward such as bank deposit, commercial paper, bills of exchange, bonds, promissory notes etc.

## Part B - Structured Products Check List

Additional questions to consider when investing in pre-packaged products that bundle different investment instruments together. These products are more complex in nature compared to the 'vanilla' products. Be aware that a structured product could contain credit derivatives, options, and swaps, together with more simple instruments.

## Part C - Investment Policy Check List

Include general items that should be incorporated into your local government's investment policy.

### Part A - General Products

1) Have you found out how the funds will be invested, how will it generate returns and how will these be paid to the local government? (Could you describe to others how this product works?)

Yes  No

2) Are you clear on the conditions associated with this type of investment and their level of risk?

Yes  No

3) Does the investment meet the council's financial objective and complies with its investment policy?

Yes  No

4) Are your product issuers licensed by the Australian Security and Investment Commission?

Yes  No

5) Do you know if/how the investment may be affected by a major shift in the economy and market sentiment?

Yes  No

6) Could the investment be liquidated in a timely manner without loss or penalty?

i.e. can the local government quickly get its money back out of this product if it needs to? Are there any fees to get out early?

Yes  No

Note: If you answered No to any of the above questions, do your research and consult your financial adviser. If necessary, review your investment decision.

### Part B - Structured Products

In addition to the general items, below are some additional questions that need to be considered when dealing with structured products.

1) Do you thoroughly understand this product?

Yes  No

Structured products may have embedded risks that are not readily evident such as embedded derivatives, options, formulas or other contingent payoffs.

2) If you are exposed to derivatives, do you understand (can you explain) how derivatives are used?

Yes  No

3) For a product that contains more than one instrument, do you fully understand the nature of the risk in all the instruments?

Yes  No

4) Have you assessed and documented these risks?

Yes  No

In addition to market risk (the potential movement in price), there are many other risks that are often not readily apparent including pricing risk, liquidity risk, credit risk and maturity risk.

5) Do you understand the degree of leverage in the product and the impact of this on your risk exposure?

Yes  No

Many derivatives and structured products have significant leverage to risk. You should know your tolerance and your exposure before engaging in any structured products.

6) Have you assessed and documented the pricing of the investment product?

Yes  No

Do you understand how products are priced? Can you get a similar price from a number of different sources? Can you get a firm price at which you can actually transact? How often can you get a firm or live price?

7) Have you assessed and documented the liquidity of the product?

Yes  No

How quickly can you sell the product at a market price? Is there a ready market to sell this product to another party?

8) Have you obtained and documented independent advice?

Yes  No

Ensure you seek independent advice. Advice from the bank or firm that sells you a product is not independent. Get as much advice as necessary until you are satisfied that you fully understand the risks.

Be aware of any equivocal advice and evaluate on the basis of what an advisor is prepared to commit to in writing.

9) Have you assessed and documented ratings from rating agencies?

Yes  No

Ratings are not a sufficient guide for a full and thorough risk assessment. Ratings issued by rating agencies for different types of assets have different meanings. They do not inform the user about the possibility and impact of a change in rating.

### Part C - Investment Policy Check List

Have you included the following as part of your investment policy?

1) Clearly stipulated the investment objective.

Yes  No

2) Specify the level of risk the Council is prepared to accept.

Yes  No

3) Prohibit the i) purchase of speculative financial instruments & ii) use of leveraging of an investment portfolio.

Yes  No

4) Identified the legislative requirements.

Yes  No

5) List the allowable investments and/or prohibited investments. .

Yes  No

6) Specify investment parameters including the overall portfolio limits, counterparty credit framework and term to maturity framework.

Yes  No

7) Require independent valuation of investments in order to reflect the current market prices.

Yes  No

8) Require investments that are downgraded to below an acceptable rating benchmark to be liquidated.

Yes  No

9) State the appropriate benchmarks for evaluating investment performance.

Yes  No

10) Require a monthly report of the status and performance of investment portfolio.

Yes  No

11) Require independent financial assessments of the value of the investment portfolio.

Yes  No

# Appendix C - Risk And The Value Of An Investment Portfolio

All investments entail some risk. Generally, the higher the expected rate of return of an investment, the higher the risk and the greater the variability of returns. It is important that a local government recognises all risks<sup>13</sup> in its investments and effectively communicates its understanding of, and tolerance to, its risk exposures in an investment policy. The following discussion provides a sound background to understanding the nature of the risk exposures that need to be recognised in the development of sound investment guidelines.

## Risk Arises in Many and Diverse Ways

It is important to recognise that risk arises in many ways, not simply market risk, and to be cognizant with at least the following risks.<sup>14</sup>

### Market Risk

One of the most prominent exposures recognised by local governments is the exposure to market risk. More specifically, the exposure resulting from the changes in market prices, which includes changes in interest rates, currency and other prices (for example, commodity prices).

### Maturity Risk

Term to maturity impacts the investment's exposure in two ways: through maturity risk and liquidity risk.

Maturity risk identifies the impact of maturity on the valuation of the investment. The longer term to maturity the greater the length of exposure.

The other aspect of maturity risk is the impact of term to maturity on the valuation of an investment. That is, an increase in term to maturity leads to an increase in the impact of changes in market prices on the present value of the investment.

Both of the above effects are important and both need to be considered when assessing the impact of the term to maturity on the risk exposure to an investment.

### Liquidity Risk

Liquidity risk usually arises if there is a lack of market depth for the investment; for example, the investment has unique or structured elements, is traded in low-volume or non-standardised markets or is not regularly priced by independent market dealers. Standardised instruments in well-traded markets will reduce the exposure to liquidity risk.

However, investing solely in liquid assets is not enough as liquidity risk may also be caused by a market disturbance that leads to a "flight for quality" - an environment where a rapid decline in demand for low credit quality instruments exists. As a result an investor may be affected by **credit spread risk** where a decline in the perception of the credit worthiness of a particular sector or class of instruments leads to a fall in the value of the corresponding class of investments.

### Leverage Risk

Another exposure that is not often readily apparent but still needs consideration is the effect of leverage on an investment. Leverage increases the potential return of an investment, but also increases the potential loss as an increase in leverage has a multiplicative effect on the exposure. Leverage risk usually arises through investment in structured products or derivatives, which can potentially be used to create leveraged positions where the exposures obtained are greater than the value of assets required to support them.

### Complex and Structured Instruments Increase Risk

Straightforward financial instruments are referred to as "vanilla instruments". These are the most basic or standard version of a financial instrument and can be contrasted with "exotic instruments", which alter the components of a traditional financial instrument, resulting in more complex securities.

<sup>13</sup> While some common risks are defined in the Glossary to this guideline, this list is not exhaustive.

<sup>14</sup> This section does not purport to be a fully comprehensive inventory of all risks, rather it is intended to convey that risk can arise in many guises and is not necessarily transparent.

There are significant benefits in transacting in vanilla instruments. As these instruments are more transparent, generally well-established, more readily understood and financially less complicated the risks are more easily assessed. Vanilla instruments are generally traded in liquid markets, with standardised contracts and conventions. Independent and fair market values are readily available and instruments are more readily traded in times of market stress<sup>15</sup>.

Structured products combine elements of vanilla products. Bundling a number of characteristics into an investment product usually heightens risk and reduces transparency. This obscurity can mask elements of risk and make it difficult to assess the true risk in the product. It is also often difficult to ascertain independent and fair market values due to the uniqueness of products and thin market trading.

Consequently, it can be difficult to assess whether such investments meet risk and return objectives. If the risk and price of an asset cannot be reliably measured it should not be considered an acceptable security type for inclusion in an investment portfolio.

Some examples of structured products include investment products with embedded formulae<sup>16</sup>, payoffs contingent on other underlying instruments or events, or exposure to multiple counterparties. Embedded formulae, contingent payoffs and multiple exposures will often act to leverage the exposure to risk. While these products can offer enhanced returns, local government should recognise that the risk may be leveraged and assess the potential downside against its risk tolerance.

Local governments should also consider option features that may be packaged within a complex product and the distinction between purchasing and selling an option<sup>17</sup>.

The purchase of an option entails the payment of a premium to cover a specified exposure. Once the premium is paid there is no further obligation on behalf of the buyer. In contrast, the seller of an option receives a premium in return for covering a specified exposure. The potential obligation can be unlimited. Thus the sale of options does not have a place in an investment portfolio.

While a single risk measure is easier to understand than a multi-dimensional measure, the reality is that risk cannot be adequately captured in a single measure such as a credit rating. Ratings need to be supplemented by other risk measures that portray a true picture of the prospect of loss, in all its manifestations, including extreme or tail events.<sup>18</sup> In complex products the risk of tail events can be several times greater than for a similarly rated bond or loan.

Complex financial instruments do not fit within the context of risk aversion and therefore are not congruent with a conservative appetite for risk.

### Deadweight Costs

The major consideration in the evaluation of any candidate security is that the return is sufficient and commensurate with the risk of the security. Each time that fees are deducted as investment products pass through the various financial intermediaries there is a leakage of value or "deadweight costs". These deadweight costs subtract from the return you receive so that you may well end up not being adequately compensated for the level of risk that is being passed through to you.

<sup>15</sup> Liquid instruments will generally trade in markets having greater depth or "liquidity". The benefits of more observable prices and sufficient trading volume also translate into a lower buy/sell spread (the difference between buying and selling prices).

<sup>16</sup> While perhaps not readily apparent, embedded formulae will significantly alter the risk.

<sup>17</sup> These comments also apply generally to option products not only when they are packaged within another instrument. However, when packaged within other features of a product the option can be overlooked.

<sup>18</sup> Tail events are the low-probability or rare events that occur at the extremes of a distribution, that is, away from the mean or median events.

Complex instruments and structured products can incur very large leakage in value because of issues such as:

- Products passing through a chain of intermediaries and several levels of structuring with fees being incurred at each step;
- The complexity involved and associated overheads such as the additional time and effort required to package and distribute the deal;
- These products are often traded as Over The Counter ("OTC") products with limited secondary markets;
- Non-standardised products that lack well-established market convention; and
- Large buy/sell spreads due to limited liquidity.

Significant leakage of value through fees may mean the final investor's return is not sufficient and commensurate with the risk of the security. It is essential to check the levels of fees that will be incurred on each investment.

### Pricing Advantages

The fair price of a security can be considered to be the price that will earn just enough to cover the additional risk of the security<sup>19</sup>. If priced correctly the expected return of an investment will fully reflect the amount of risk in the investment. For standardised instruments trading in highly-liquid markets the fair price will be uncontentious and readily observable.

As the instruments become more complex and less liquid, determining the fair price becomes increasingly difficult. Furthermore, to the extent that uncertainty exists in determining this price it can be expected that the financial institution structuring the product will incorporate this uncertainty into the price.

Large financial institutions will also be better placed to assess the riskiness of complex financial instruments and thus have significant pricing advantages in these products.

Put simply, there is no basis for an assumption that the price paid for a product will more than compensate for the risk in the product. If anything, especially in regard to structured, opaque or complex instruments it is quite likely that the converse will be true.

<sup>19</sup> The additional earning as compared to investing in a "risk free" asset will fully compensate for the risk in the security.

### Market Value

An essential requirement for establishing the validity and credibility of an asset in an investment portfolio is the ability to measure its value.

The Australian Accounting Standards prescribe the reporting and valuation requirements for financial instruments.

The value of a financial instrument is initially recognised at its fair value plus any related transaction costs. Fair value can be established from quoted prices in an active market.

For standardised instruments trading in highly liquid markets there is usually little difficulty in determining a good indication of fair value. For these instruments the market price will be transparent and readily determinable. The costs involved in regular valuations will also be relatively small.

Caution must be exercised in valuing those instruments that are thinly traded, and where reliable market estimates are not readily available. The problem of obtaining good estimates of fair value becomes increasingly complicated for non-standardised instruments and particularly difficult (and costly) in the case of complex financial instruments. Similarly, if the instruments are not traded in regular markets the illiquidity will make fair valuation difficult. For example, for instruments sold in OTC Markets<sup>20</sup> the only price available may be from the counterparty that sold the instrument in the first place.

<sup>20</sup> Over the Counter Markets ("OTC") can generally be described as markets where financial instruments are exchanged directly between two parties rather than through the mechanism of an organised market or centralised exchange.

## Appendix D – Ratings Agencies' Credit Ratings

The table below details three ratings agencies' credit ratings for short and long term investments. It includes a grade explanation for each credit rating

Short Term Debt/Commercial Paper Ratings			
Grade	Moody's	S&P	Fitch
Superior	P-1	A1+	F1+
		A1	F1
Strong	P-2	A2	F2
Acceptance	P-3	A3	F3
Long Term Debt and Individual Security Ratings			
Grade	Moody's	S&P	Fitch
Highest Quality	Aaa	AAA	AAA
High Quality	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
Above Average Quality	A1	A+	A+
	A2	A	A
	A3	A-	A-
Average Quality	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
Investment Grade			
Speculative	B1	BB+	BB+
	B2	BB	BB
	B3	BB-	BB-
Poor	Caa	CCC+	CCC
	Ca	CCC	
	C	CCC-	
		CC	CC
Default	-	D	DDD
			DD
			D

## Appendix E –Section 20 *Trustees Act 1962*

Section 20 (1) of the *Trustees Act 1962* states "without limiting the matters that a trustee may take into account when exercising a power of investment, a trustee shall, so far as they are appropriate to the circumstances of the trust, have regard to:

- a) the purposes of the trust and the needs and circumstances of the beneficiaries;
- b) the desirability of diversifying trust investments;
- c) the nature of and risk associated with existing trust investments and other trust property;
- d) the need to maintain the real value of the capital or income of the trust;
- e) the risk of capital or income loss or depreciation;
- f) the potential for capital appreciation;
- g) the likely income return and the timing of income return;
- h) the length of the term of the proposed investment;
- i) the probable duration of the trust;
- j) the liquidity and marketability of the proposed investment during, and on the determination of, the term of the proposed investment;
- k) the aggregate value of the trust estate;
- l) the effect of the proposed investment in relation to the tax liability of the trust;
- m) the likelihood of inflation affecting the value of the proposed investment or other trust property;
- n) the costs (including commissions, fees, charges and duties payable) of making the proposed investment; and
- o) the results of a review of existing trust investments.

# Appendix F – Sample Monthly Investment Summary Report To Council

## Part (A)

### Summary

Through the use of a variety of investment products, Council has been able to obtain investment returns comparable to the benchmark established by Council. This was achieved with a high quality, low risk investment portfolio.

### Background

The investment policy requires Council to review the performance of its investment on a monthly basis. In accordance with the policy, a report of investments is presented to Council, which provides a summary of investments.

This report provides a summary of investment movement (See Report Part B) of the past month, to determine if the investment strategy met the objective of Council, in terms of maximising investment returns and maintaining an acceptable level of risk.

### Report

During the year, Council funds were invested in six products, which have been rated by Standard and Poor's as follows.

Investments	
<b>ADI issued</b>	<b>S&amp;P Ratings</b>
Security 1	AA-
Security 2	AAA+
Security 3	AA+
Security 4	AAA
<b>Non – ADI Issued</b>	
SecA	A
SecB	AAA

*ADI\* Authorised Deposit-Taking Institution*

At all times during the year the designated investment exposure limits were adhered to.

### Performance

The attached Summary of Portfolio Movement identifies Council's investment type, term to maturity, volume held, percentage to total portfolio, monthly price and monthly variation.

The portfolio comprised of four ADI issued interest bearing securities and two Non-ADI issued securities. The total portfolio returns in September were positive overall. There were 2,100,000 units held at a market value of \$2,221,958. Total monthly gain was \$35,479, representing a 1.6% increase in market value compare to the previous month. This is higher than the 0.53% UBSWA bank bill benchmark performance in September.

### Monthly Economic Update

Australian and US government bond yields rose in September as investors viewed the Fed's bigger than expected 50 basis point cut to 4.75% as likely to prevent the US economy from sliding into recession. US economic reading during September were predominately soft, notably the August reading of housing starts, new home sales and existing home sales. August non-farm payrolls also surprised on the weak side of market expectations showing a small fall and calling into question whether consumption spending would hold up given weak housing activity and soft employment.

In contrast, Australian economic readings were predominantly strong through September with very strong August employment and July retail sales and international trade. The Reserve Bank held its cash rate at 6.5% but further liquidity hoarding saw the 90 day bank bill yield push up to 7.1% early in the month. While short-term money market rates came below 7.0% later in the month.

### Recommendations

That the report be received.

# Part (B)

## LOCAL GOVERNMENT XYZ

Portfolio Valuation - Market Value  
Summary of Portfolio Movement 30 June 20XX to 31 August 20XX

Security Description	Credit Rating	Maturity / S&P Conversion	Volume Held	% of total portfolio	Unit Price			Monthly Var'n	Market Value			Monthly Var'n		
					Jun	Jul	Aug		Jun	Jul	Aug		Jun	Jul
<b>ADI's Issued Interest Bearing Securities</b>														
Security 1	AA-	20/10/20XX	50,000	2%	100.0%	101.2%	105.4%	104.3%	(1.1%)	\$50,000	\$50,617	\$52,683	\$52,128	-\$555
Security 2	AAA+	2/04/20XX	750,000	36%	100.9%	101.4%	106.7%	109.3%	2.6%	\$757,065	\$760,613	\$800,145	\$819,750	\$19,605
Security 3	AA+	17/07/20XX	250,000	12%	102.3%	100.6%	101.1%	103.3%	2.1%	\$255,768	\$251,473	\$252,815	\$258,140	\$5,325
Security 4	AAA	27/06/20XX	500,000	24%	100.1%	103.4%	102.5%	104.0%	1.4%	\$500,260	\$516,770	\$512,730	\$519,940	\$7,210
<b>ADI's Issued Interest Bearing Securities Total</b>			1,550,000	74%	100.8%	101.9%	104.4%	106.4%		\$1,563,093	\$1,579,472	\$1,618,373	\$1,649,958	\$31,586
<b>Non - ADI's Issued Interest Bearing Securities</b>														
SecA	A	20/03/20XX	50,000	2%	100.2%	101.3%	103.2%	102.0%	-1.2%	\$50,094	\$50,661	\$51,606	\$51,000	-\$606
SecB	AAA	27/02/20XX	500,000	24%	100.7%	102.5%	103.3%	104.2%	0.9%	\$503,500	\$512,500	\$516,500	\$521,000	\$4,500
<b>Non ADI's Issued Interest Bearing Securities Total</b>			550,000	26%	100.7%	102.4%	103.3%	104.0%		\$553,594	\$563,161	\$568,106	\$572,000	\$3,894
<b>Total Securities Held</b>			2,100,000	100%	2,100,000	2,100,000	2,100,000	2,100,000		2,116,687	2,142,633	2,186,479	2,221,958	35,479
<b>Cash and Accruals</b>														
Disposals										0	0	0	0	0
Expenses Payable (Management Fees)										(500)	(500)	(500)	(500)	(500)
Expenses Payable										0	0	0	0	0
<b>Cash and Accruals Total</b>										(500)	(500)	(500)	(500)	0
<b>Portfolio Total</b>										2,116,187	2,142,133	2,185,979	2,221,458	35,479
														Withdrawals (Current Month)
														0
														<b>Monthly Movement Gain / (Loss)</b>
														<b>35,479</b>

NOTE: Market Value is a mid range estimate and might not represent actual value

### Investment Summary





Department of Local Government  
and Regional Development  
Government of Western Australia

[www.dlgrd.wa.gov.au](http://www.dlgrd.wa.gov.au)

#### FURTHER INFORMATION

For more information about this and other guidelines, contact the Local Government Support and Development Branch of the Department of Local Government and Regional Development on:

**Tel: (08) 9217 1500**

**Fax: (08) 9217 1555**

**Freecall: 1800 620 511** [Country Only]

These guidelines are also available on the Department's website at [www.dlgrd.wa.gov.au](http://www.dlgrd.wa.gov.au)

#### ABOUT THE GUIDELINE SERIES

This document and others in the series are intended as a guide to good practice and should not be taken as a compliance requirement. The content is based on Departmental officers' knowledge, understanding, observation of, and appropriate consultation on contemporary good practice in local government. Guidelines may also involve the Department's views on the intent and interpretation of relevant legislation.

All guidelines are subject to review, amendment and re-publishing as required. Therefore, comments on any aspect of the guideline are welcome. Advice of methods of improvement in the area of the guideline topic that can be reported to other local governments will be especially beneficial.

The Department would like to thank the Western Australian Treasury Corporation (WATC) for their assistance and contribution in the development of this guideline.

## 6.6 SUNDRY DEBTORS

<b>DATE:</b>	11 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Paul Tily, Finance Officer
<b>REPORTING OFFICER:</b>	Natalie Octoman, Director Corporate Services
<b>FILE NO:</b>	FM.07.2

### **PURPOSE**

To review the status of sundry debtors, including airport debtors, and sundry debts in legal process and consider the suggested modifications for future reports.

### **BACKGROUND**

The listing of 90+ Day Sundry Debtors was provided at the Ordinary Council Meeting on a monthly basis until March 2008 when Council resolved that the 90+ days debtor list be removed from the Council Agenda as a standing item and be presented to the then Audit Committee for consideration and to make recommended actions to Council as it falls within the scope of the Committee's purpose.

The following recommendation was adopted by Council at Ordinary Meeting on 18 March 2008:

*Minute No: 8102*

*Moved: Cr K Wright Seconded: Cr Paul Caley*

***That Council:***

- 1) That the 90 days debtor list be removed from the Council Agenda as a standing item and be presented to the Audit Committee for consideration and to make recommended actions to Council.***

***Carried Absolute Majority 8/0***

In line with the more strategic focus of the new Committee the report in April 2012 only included debtor balances at 90+days and over \$500.

To further progress this strategic focus this item has been changed to provide summary information regarding all sundry debts including airport landing fees administered by Avdata on Councils behalf. Sundry debtors in legal process have also been incorporated into this item to give a complete picture of sundry debtors. Further changes are suggested by the reporting officer in the Comments section of this report.

### **STATUTORY IMPLICATIONS**

This item in a Council Meeting needs to be discussed behind closed doors under Section 5.23. (2) (e) (iii) of the *Local Government Act 1995* because the item may disclose information about the business, professional, commercial or financial affairs of a person and because the item also contained legal advice to the Council.

### **POLICY IMPLICATIONS**

No policy implications apply in relation to this item.

## **FINANCIAL IMPLICATIONS**

Legal fees may be incurred to recover debts or revenue written off if debt recovery is considered not economically viable.

## **STRATEGIC IMPLICATIONS**

Goal 1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability.

Objective 1.4: Business innovation, efficiency and improved service.

Strategy 1.4.2: Improve the efficiency and productivity of Shire services.

Strategy 1.4.3: Maintain Council's long term financial viability.

Strategy 1.4.4: Deliver cost effective and efficient corporate services.

## **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

## **COMMENT**

### ***Sundry Debtors (General) Summary – 3<sup>rd</sup> February 2014***

Categories	90 Days		60 Days	30 Days	Current	Total
	No	\$	\$	\$	\$	\$
Airport & Airport Leases(May 2013)	5	35,174	228,656	111,898	-	375,728
Childcare	14	9,812	1,848	1,972	-	13,632
Grant	4	55,172	19,683	-	-	74,855
Health	26	7,639	1,923	3,084	-	12,646
Leisure	2	17,216	-	129	-	17,345
Waste	21	35,359	48,087	70,068	-	153,514
Other	5	302,214	29,382	32,765	-	364,361
<b>Total</b>		<b>462,568</b>	<b>329,579</b>	<b>219,916</b>	-	<b>1,012,081</b>

*Note: The information in the above table is from Council Debtors System. The revenue is recognised when the debt is raised.*

### ***Sundry Debtors (Airport Landing Fees) Summary – 31 January 2014***

Categories	90 Days		60 Days	30 Days	Current	Total
	No	\$	\$	\$	\$	\$
Kununurra Airport	32	16,117	9,556	98,766	101,919	226,358
Wyndham Airport	3	1,683	784	2,323	1,968	6,758
<b>Total</b>		<b>17,800</b>	<b>10,340</b>	<b>101,089</b>	<b>103,887</b>	<b>233,116</b>

*Note: The information in the above table is provided by Avdata. Airport Landing Fees are not detailed in any Council System. The debts are invoiced and collected on Council's behalf by Avdata. The revenue is recognised when the cash is deposited in Councils bank account.*

At this point in time, it takes the author almost a full day to compile this report, including the confidential attachment. While the resolution of the Council in March 2008, for the Committee to review the report and make recommendations to Council remains valid, the categories and thresholds of the report are recommended to be modified in order to reduce the amount of time allocated to this task.

The categories outlined in the sundry debtors table above are determined manually. It is certainly not ideal, and after reviewing the system, it is not a table that can be easily generated given that some debtors use different services and would therefore cross over categories. The reporting officer is therefore recommending that the categories be removed entirely, and that sundry debtors be reported as a whole, with airport debtors still being identified separately given the information is provided by a third party.

Reviewing 90+ day debts and providing details where the debt exceeds \$500 is another factor that needs to be considered given the manual effort required in removing all those debtors below this amount and sourcing explanations for each one.

AASB 1031 "Materiality" states the following:

*15 Quantitative thresholds used as guidance for determining the materiality of the amount of an item or an aggregate of items shall, of necessity, be drawn at arbitrary levels. Materiality is a matter of professional judgement influenced by the characteristics of the entity and the perceptions as to who are, or are likely to be, the users of the financial statements, and their information needs. Materiality judgements can only be properly made by those who have the facts. In this context, the following quantitative thresholds may be used as guidance in considering the materiality of the amount of items included in the comparisons referred to in paragraph 13 of this Standard:*

- a) an amount which is equal to or greater than 10 per cent of the appropriate base amount may be presumed to be material unless there is evidence or convincing argument to the contrary; and*
- (b) an amount which is equal to or less than 5 per cent of the appropriate base amount may be presumed not to be material unless there is evidence, or convincing argument, to the contrary.*

The Shire generated over \$30 million in revenue for 2012/13 including grants and contributions for operating and non-operating projects. Excluding rates, as they do not form part of the sundry debtor report, this results in approximately \$23 million revenue raised. As there are other factors to consider when determining if an item is material, the reporting officer considers that 10% of revenue is too high given the nature of the Shire, and that a materiality level of \$20,000 is more appropriate.

The reporting officer is therefore recommending that all debtors be listed irrespective of the amount of the debt, and only those in excess of \$20,000 are provided with a more detailed explanation as to where the debt is at within the debt collection process. This would remove the manual intervention and follow up of minor items (as all debts appear on the aged debtors report), so that the Shire can deliver more cost effective and efficient corporate services in accordance with the Strategic Community Plan.

This would also appear to be in accordance with the strategic focus that the reporting officer is recommending for the Committee, particularly in line with the new Terms of Reference being considered by the Committee at this meeting also.

It should be noted that the reporting officer is intending to undertake a review of key performance indicators for the debtors function in particular, although this will not occur until the Department is fully resourced.

## **ATTACHMENTS**

Attachment 1 - Sundry Debtors detailed report as at 3 February 2014.  
(Confidential attachment provided under separate cover)

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That the Audit (Finance and Risk) Committee:

- 1) Supports the modifications to the format of this report to remove the categories highlighted in the Sundry Debtors (General) Summary table;
- 2) Supports the increase in threshold for the confidential detailed sundry debtors report from \$500 to \$20,000;
- 3) Reports to Council that the actions being undertaken by the administration in regard to sundry debtors including sundry debts in legal process are sufficient and appropriate.

## 6.7 RATES DEBTORS

<b>DATE:</b>	11 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Shelley Binnie, Finance Officer Rates
<b>REPORTING OFFICER:</b>	Natalie Octoman, Director Corporate Services
<b>FILE NO:</b>	FM.11.1

### PURPOSE

To review status of rates debtors and rates debts in legal process.

### BACKGROUND

At the Ordinary Council Meeting, 16 October 2007, Council moved the following resolution:

*Minute No. 7936*

*That Council direct the CEO to provide a written report to Council under confidential cover each month in regard to all debts currently in legal process.*

*Carried Unanimously 5/0*

*At the Ordinary Council Meeting, 18 March 2008, Council moved the following:*

*Minute No: 8148*

*Moved: Cr J Parker    Seconded: Cr F Mills*

*That Council:*

- 1) note the confidential report provided to it in relation to debts owed to Council and under legal action.
- 2) direct the Executive Manager Corporate Services to provide a written report to the Audit Committee under confidential cover at each Audit Committee meeting in regard to all debts currently in legal process.
- 3) request the Audit Committee to make recommendations to Council as required and appropriate in relation to the report provided under confidential cover regarding debts currently in legal process.
- 4) resolve that this requirement replaces the previous requirement on the CEO to report information to Council.

*Carried Unanimously 8/0*

This requirement is now fulfilled by a combination of this report and item 5.1 Standing Item – Sundry Debtors.

The Outstanding Rates Debtors over three years report has also been incorporated into the confidential attachment to this item to give a complete picture of rates debtors.

## **STATUTORY IMPLICATIONS**

This item in a Council Meeting needs to be discussed behind closed doors under Section 5.23. (2) (e) (iii) of the *Local Government Act 1995* because the item may disclose information about the business, professional, commercial or financial affairs of a person and because the item also contained legal advice to the Council.

## **POLICY IMPLICATIONS**

No policy implications apply in relation to this item.

## **FINANCIAL IMPLICATIONS**

Legal fees may be incurred to recover debts or revenue written off if debt recovery is considered not economically viable.

## **STRATEGIC IMPLICATIONS**

Goal 1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability.

Objective 1.4: Business innovation, efficiency and improved service.

Strategy 1.4.3: Maintain Council's long term financial viability.

## **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

## **COMMENT**

### ***Rates and Services Debtors Summary***

<b>Rates &amp; Services Levied 2013/2014 (including arrears)</b>	<b>Rates &amp; Services Debt at 28 January 2014</b>	<b>Overdue at 28 January 2014</b>
\$ 9,706,224.97	\$1,347,299.25	\$96,6287.07

Rates for the financial year of 2013/14 were raised and issued on 13 August 2013. Interim rating occurs periodically throughout the year.

## **ATTACHMENTS**

Attachment 1 - Rates Debtors - Detailed Report  
(Confidential Attachment provided under separate cover)

**VOTING REQUIREMENT**

Simple Majority

**OFFICER'S RECOMMENDATION**

**That the Audit (Finance and Risk) Committee reports to Council that the actions being undertaken by the administration in regard to rates debtors, including rates debts in legal process are sufficient and appropriate.**

## 6.8 LEASES

The Shire of Wyndham East Kimberley administers over thirty five leases ranging from Airport leases, community leases and commercial leases.

In December 2007 the Audit (Risk and Finance) Committee resolved:

*Minute No. A066*

*Moved Cr Keith Wright*

*Seconded Cr Frederic Mills*

- 1) That the Audit Committee note that the responsibility for the management of leases and periodical contracts is that of the Executive Manager Corporate Services.*
- 2) That the Audit Committee note that the Executive Manager Corporate Services monitors the leases and coordinates the lease data base and reporting to Executive Managers, the Audit Committee and Council.*
- 3) That the Audit Committee request staff to present an updated Lease Spreadsheet certified by Executive Manager Corporate Services to each Audit Committee meeting as a standing item.*

*Carried Unanimously 4/0*

## **ATTACHMENTS**

To be provided at the next Audit Committee meeting.

## 6.9 PROPOSED MEETING DATES FOR THE AUDIT (FINANCE AND RISK) COMMITTEE

<b>DATE:</b>	11 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Natalie Octoman, Director Corporate Services
<b>REPORTING OFFICER:</b>	Natalie Octoman, Director Corporate Services
<b>FILE NO:</b>	N/A

### **PURPOSE**

To consider the proposed meeting dates for the Audit (Finance and Risk) Committee for the next 12 months in accordance with section 12 of the *Local Government (Administration) Regulations 1996* and recommend that Council endorse the proposed dates.

### **BACKGROUND**

The Audit (Finance and Risk) Committee was not provided with delegations from the Council in the past, therefore there was no requirement for the meetings to be open to the public in accordance with section 5.23 of the *Local Government Act 1995*.

In light of the proposed Terms of Reference for the Committee with suggested delegations, section 5.23 would become applicable.

### **STATUTORY IMPLICATIONS**

#### ***Local Government Act 1995*** ***Part 5, Division 2***

##### **5.23. Meetings generally open to public**

- (1) *Subject to subsection (2), the following are to be open to members of the public —*
- (a) *all council meetings; and*
  - (b) *all meetings of any committee to which a local government power or duty has been delegated.*

#### ***Local Government (Administration) Regulations 1996*** ***Part 2***

##### **12. Meetings, public notice of (Act s. 5.25(1)(g))**

- (1) *At least once each year a local government is to give local public notice of the dates on which and the time and place at which —*
- (a) *the ordinary council meetings; and*
  - (b) *the committee meetings that are required under the Act to be open to members of the public or that are proposed to be open to members of the public,*
- are to be held in the next 12 months.*
- (2) *A local government is to give local public notice of any change to the date, time or place of a meeting referred to in subregulation (1).*

- (3) *Subject to subregulation (4), if a special meeting of a council is to be open to members of the public then the local government is to give local public notice of the date, time, place and purpose of the special meeting.*
- (4) *If a special meeting of a council is to be open to members of the public but, in the CEO's opinion, it is not practicable to give local public notice of the matters referred to in subregulation (3), then the local government is to give public notice of the date, time, place and purpose of the special meeting in the manner and to the extent that, in the CEO's opinion, is practicable.*

### **POLICY IMPLICATIONS**

There are no direct policy implications associated with this item.

### **FINANCIAL IMPLICATIONS**

Minor expenditure will be incurred to ensure the appropriate advertising occurs for the proposed meeting dates.

### **STRATEGIC IMPLICATIONS**

Goal 1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability.

Objective 1.4: Business innovation, efficiency and improved service

Strategy 1.4.1: Ensure legislative compliance and follow best practice principles in planning and service delivery.

### **COMMUNITY CONSULTATION**

There is no requirement for the community to be consulted prior to considering the proposed meeting dates.

If the Committee and subsequently Council adopt the proposed meeting dates, the community will be provided with local public notice of these dates in accordance with the legislative requirements.

### **COMMENT**

The proposed Terms of Reference for the Audit (Finance and Risk) Committee being considered at this meeting is recommending that the Committee be provided delegation to meet with the Council's auditor at least once per year. If this is considered by the Committee and subsequently Council as being an appropriate delegation, it will result in the requirement of the Committee meetings being open to the public in accordance with section 5.23 of the *Local Government Act 1995*.

As the meetings are now proposed to be open to the public, this also triggers section 12 of the *Local Government (Administration) Regulations 1996* with the requirement of ensuring that the local government provides local public notice of the dates on which and the time and place at which the Committee meetings are to be held in the next 12 months.

The officer understands that meeting dates have already been determined for the 2014 calendar year. It is therefore proposed that these dates remain, and any new dates outlined

in the annual budget process that was discussed at the last Budget Briefing on the 28th of January also be incorporated to ensure that it is truly only the Special Meetings that would require further advertising. This will also assist in reducing advertising costs.

### **ATTACHMENTS**

There are no attachments associated with this report.

### **VOTING REQUIREMENT**

Simple Majority

### **OFFICER'S RECOMMENDATION**

That the Committee:

- 1) **Recommends to Council that the Audit (Finance and Risk) Committee meetings are held in accordance with the following dates, times and place:**

Date	Time	Place
Tuesday, 4 March 2014	3:00pm	Council Chambers, Kununurra
Tuesday, 13 May 2014	3:00pm	Council Chambers, Kununurra
Tuesday, 27 May 2014	3:00pm	Council Chambers, Kununurra
Tuesday, 12 August 2014	3:00pm	Council Chambers, Kununurra
Tuesday, 4 November 2014	3:00pm	Council Chambers, Kununurra
Tuesday, 3 March 2015	3:00pm	Council Chambers, Kununurra

- 2) **Recommends to Council that local public notice of the meetings outlined in part 1 above is provided in accordance with section 12 of the *Local Government (Administration) Regulations 1996*.**

**7. DATE OF NEXT MEETING**

13 May 2014

**8. CLOSURE**

## 13.2 CORPORATE SERVICES

### 13.2.1 Monthly Financial Report

<b>RDATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Asanka Jayakody, Accountant
<b>REPORTING OFFICER:</b>	Natalie Octoman, Director Corporate Services
<b>FILE NO:</b>	FM.09.5

#### **PURPOSE**

For Council to note and accept the Monthly Financial Report for January 2014

#### **BACKGROUND**

Council is required to prepare Monthly Financial Reports as required by the Local Government (Financial Management Regulations) 1996.

#### **STATUTORY IMPLICATIONS**

Section 6.4 Local Government Act 1995  
Regulation 34, Local Government (Financial Management Regulations) 1996.

#### **POLICY IMPLICATIONS**

No policy implications apply in the preparation of the report.

#### **FINANCIAL IMPLICATIONS**

Monthly financial reporting is a primary financial management and control process, it provides Council with the ability to oversee the Shire's financial performance against budgeted target.

#### **STRATEGIC IMPLICATIONS**

*Strategic Community Plan 2012 – 2022, objective 1.4, strategies 1.4.1 to 1.4.5*

#### **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

#### **COMMENT**

Comments in relation to budget to actual variances are included as a note in the Financial Report.

**ATTACHMENTS**

Attachment 1 – Monthly Financial Report

**VOTING REQUIREMENT**

Simple Majority

**OFFICER'S RECOMMENDATION**

That Council accepts the Monthly Financial Report for the month of January 2014.

**COUNCIL DECISION**

**Minute No. 10311**

**Moved: Cr K Wright**

**Seconded: Cr S Cooke**

**That Council accepts the Monthly Financial Report for the month of January 2014.**

**Carried Unanimously 9/0**



# Shire of Wyndham East Kimberley

## Monthly Financial Report 2013/2014

**As at 31 January 2014**

Contents:

- Statement of Financial Activity
- Note to Statement of Financial Activity (Net Current Asset Position)
- Note to Statement of Financial Activity (Explanation of Material Variances)
- Note to Statement of Financial Activity (Budget Remaining to Collect/Spend)
- Monthly Report on Investment Portfolio (Cash)

Financial Activity Legend:  
Above Budget Expectations: ▲  
Below Budget Expectations: ▼

# Shire of Wyndham East Kimberley

## Statement of Financial Activity Year to Date Actual v Year to Date Budget as at 31 January 2014

	YTD Actual 2013/14 \$	YTD Budget 2013/14 \$	YTD Variance 2013/14	
			\$	%
<b>Revenue</b>				
General Purpose Funding	1,370,375	1,371,147	(773)	0% ▼
Governance	68,604	28,291	40,313	142% ▲
Law, Order, Public Safety	35,990	28,744	7,246	25% ▲
Health	59,523	44,940	14,583	32% ▲
Education and Welfare	86,889	97,548	(10,659)	-11% ▼
Housing	126,215	150,906	(24,691)	-16% ▼
Community Amenities	1,806,588	1,917,709	(111,121)	-6% ▼
Recreation and Culture	312,046	349,664	(37,618)	-11% ▼
Transport	2,127,526	2,570,365	(442,839)	-17% ▼
Economic Services	48,727	68,307	(19,580)	-29% ▼
Other Property and Services	248,604	94,422	154,182	163% ▲
	<u>6,291,087</u>	<u>6,722,043</u>	<u>(430,956)</u>	<u>-6% ▼</u>
<b>Expenses</b>				
General Purpose Funding	(364,479)	(334,505)	(29,974)	9% ▲
Governance	(2,616,177)	(985,919)	(1,630,258)	165% ▲
Law, Order, Public Safety	(420,821)	(382,899)	(37,922)	10% ▲
Health	(266,941)	(262,440)	(4,501)	2% ▲
Education and Welfare	(239,634)	(296,778)	57,144	-19% ▼
Housing	(368,902)	(368,636)	(266)	0% ▲
Community Amenities	(2,621,398)	(2,923,478)	302,080	-10% ▼
Recreation & Culture	(3,035,203)	(3,004,894)	(30,309)	1% ▲
Transport	(3,805,111)	(4,159,209)	354,098	-9% ▼
Economic Services	(488,841)	(531,229)	42,388	-8% ▼
Other Property and Services	(455,785)	(216,286)	(239,499)	111% ▲
	<u>(14,683,292)</u>	<u>(13,466,272)</u>	<u>(1,217,020)</u>	<u>9% ▲</u>
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	0	0	0	0% ▼
Movement in Accruals and Provisions	(5,717)	48,452	(54,169)	-112% ▲
Depreciation on Assets	2,864,923	2,738,484	126,439	5% ▲
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale	0	0	0	0% ▼
Purchase Land and Buildings	(425,416)	(2,138,592)	1,713,176	-80% ▼
Purchase Infrastructure Assets - Roads	(570,251)	(525,500)	(44,751)	9% ▲
Purchase Infrastructure Assets - Footpaths	0	(21,000)	21,000	0% ▼
Purchase Infrastructure Assets - Drainage	(476,301)	(675,000)	198,699	-29% ▼
Purchase Infrastructure Assets - Other	(1,006,825)	(2,584,699)	1,577,874	-61% ▼
Purchase Plant and Equipment	(582,054)	(833,485)	251,431	0% ▼
Purchase Furniture and Equipment	(100,258)	(317,800)	217,542	-68% ▼
Grants / Contributions for Development of Assets	1,000,024	2,270,903	(1,270,879)	0% ▼
Proceeds from Disposal of Assets	153,500	179,066	(25,566)	0% ▼
Proceeds from Sale of Land Held for Resale	0	0	0	0% ▼
Repayment of Debentures	(236,178)	(237,072)	894	0% ▼
Proceeds from New Debentures	0	2,220,000	(2,220,000)	0% ▼
Transfers to Reserves (Restricted Assets)	(119,876)	(130,000)	10,124	0% ▼
Transfers from Reserves (Restricted Assets)	0	0	0	0% ▼
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	5,702,346	6,068,866	(366,520)	-6% ▼
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	5,354,659	6,711,880	(1,357,221)	-20% ▼
<b>Amount Required to be Raised from Rates</b>	<u>7,548,947</u>	<u>7,393,486</u>	<u>155,461</u>	<u>0% ▼</u>

# Shire of Wyndham East Kimberley

## Note to Statement of Financial Activity

### Net Current Assets as at 31 January 2014

#### NET CURRENT ASSETS

##### Composition of Estimated Net Current Asset Position

	YTD Actual 2013/14	Brought Forward 1 July 2013
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	3,377,856	5,262,152
Cash - Restricted	7,447,034	7,288,404
Cash - Restricted Unspent Grants	0	0
Receivables	2,268,720	1,426,471
Inventories	11,777	17,288
	<u>13,105,386</u>	<u>13,994,314</u>
<b>LESS: CURRENT LIABILITIES</b>		
Payables and Provisions	(303,694)	(1,003,565)
Less: Cash - Restricted	<u>(7,447,034)</u>	<u>(7,288,404)</u>
<b>NET CURRENT ASSET POSITION</b>	<u><u>5,354,659</u></u>	<u><u>5,702,346</u></u>

# Shire of Wyndham East Kimberley

## Notes to Statement of Financial Activity

For the Period Ended 31 January 2014

### Explanation of Material Variances

Variances +/- \$50,000 at Financial Statement Level

Variances +/- \$10,000 and 10% at Account Level

#### Operating

##### Recurrent Income - Excluding Rates ▼

##### General Purpose Funding ▼

Recovery of Legal Expenses - Rates \$ 21,800 ▲ Higher income due higher recovery activities offset higher legal expenses.

Interest Income - Reserve Fund \$ 18,900 ▼ Timing of interest due to investment maturity dates.

##### Governance ▲

Other Income - Other Governance \$ 12,000 ▼ Timing related to year to date budget estimates. Expect to correct.

Interest Income - Kimberley Zone \$ 43,200 ▲ Interest earned due to delay in re-payment of unspent grant.

##### Law, Order and Public Safety ▲

Dog Registration Fees \$ 10,900 ▲ Over achieved annual budget.

##### Health ▲

No material variances to report

##### Education and Welfare ▼

No material variances to report

##### Housing ▼

Airport Manager's House Kununurra - Rental Income MUN \$ 18,200 ▼ Internal nominal transaction to be recorded though journal process. Set-off against similar expenditure. Timing.

##### Community Amenities ▼

Waste Management Receptacle Charge \$ 23,300 ▲ Timing related to year to date budget estimates. Expect to correct.

Rubbish Disposal Charges \$ 32,600 ▼ Timing related to year to date budget estimates. Expect to correct.

Youth Services Grant - Wyndham \$ 45,500 ▼ Timing related to year to date budget estimates. Expect to correct.

Youth Services Grant - Kununurra \$ 56,800 ▼ Timing related to year to date budget estimates. Expect to correct.

##### Recreation and Culture ▼

Foreshore Leases \$ 22,000 ▼ Lease invoices to be raised. Timing.

Recreation Hall Hire - Kununurra Leisure Centre \$ 13,300 ▼ Timing related to year to date budget estimates. Expect to correct.

Aquatic Memberships - Kununurra Leisure Centre \$ 11,700 ▼ Aquatic memberships income shown under Kununurra leisure centre memberships income. Budget to be reviewed.

Wyndham Community Resource Centre (CRC) - Operating Grant MUN \$ 15,000 ▲ Operating grant for the project undertaken by SWEK after the budget adoption.

##### Transport ▼

Aircraft Landing Fees - East Kimberley Regional Airport \$ 78,000 ▼ Timing related to year to date budget estimates. Expect to correct.

Passenger Head Tax - East Kimberley Regional Airport \$ 239,800 ▼ Timing due to delay in invoicing process. Expect to correct.

Passenger Screening Fees - East Kimberley Regional Airport \$ 114,700 ▼ Timing due to delay in invoicing process. Expect to correct.

Private Works - Airport Operations \$ 14,000 ▼ Project not yet commenced. Set-off against lower Airport private work expenditure.

##### Economic Services ▼

Licences - Building Control \$ 18,400 ▼ Lower number of building application than expected.

##### Other Property and Services ▲

Private Works Income \$ 162,100 ▲ Higher income due to new private works. Offset higher expenditure for private work.

# Shire of Wyndham East Kimberley

## Notes to Statement of Financial Activity

For the Period Ended 31 January 2014

(continued)

<b>Recurrent Expenditure</b>		▲	
<b>General Purpose Funding</b>		▲	
Debt Collection Costs - Rates	\$ 23,600	▲	Higher expenses due to higher recovery activities. Offset higher recovery income.
<b>Governance</b>		▲	
Write Offs (as approved by Council) MUN	\$ 15,500	▲	Debtor write off as approved. Provision for write off has been provided under the provision for doubtful debtors.
Advertising and Promotion - Other Governance	\$ 11,600	▲	Higher expenses due to pending allocation adjustment set-off against lower expenses in other areas.
SWEK Contribution to Kimberley Zone Secretariat	\$ 55,000	▲	Invoices received for zone contribution earlier than expected. Timing.
Management Training - Governance	\$ 34,700	▲	Program started earlier than predicted. Timing.
Integrated Planning Framework (IPF) - Asset Management	\$ 41,500	▼	Timing related to year to date budget estimates. Expect to correct.
Acquittals audit fee - Kimberley Regional Collaborative Group (KRCG) MUN	\$ 10,200	▲	Some acquittal processes completed earlier than expected. Timing.
Re-payment of unspent grant MUN	\$ 1,622,000	▲	Re-payment of unspent grand occurred earlier than projected.
Administration Salary and Overhead Allocated - Other Governance	\$ 11,400	▼	Timing related to year to date budget estimates. Expect to correct.
<b>Law, Order and Public Safety</b>		▲	
Animal Control Expenses	\$ 26,500	▲	Over expended year to date budget estimate. Expect to correct. Timing.
Develop Animal Management Plan MUN	\$ 15,000	▼	No activity on this project to date in contrast to budget timing forecast.
Direct Salaries - Ranger Services	\$ 34,800	▲	Higher cost due to higher operations. Some cost set-off against lower cost in direct salaries -other law, order & public safety.
Direct Salaries - Other Law, Order and Public Safety MUN	\$ 10,200	▼	Lower cost due to vacant position. Some cost set-off against higher cost in rangers services.
<b>Health</b>		▲	
Salary Overheads - Other Health	\$ 12,300	▲	Over expended year-to-date budget estimate. Budget to be reviewed.
<b>Education and Welfare</b>		▼	
Direct Salaries - Wyndham Childcare Centre	\$ 37,400	▼	Savings due to vacant positions.
<b>Housing</b>		▲	
Lease Costs - Konkerberry, Kununurra	\$ 11,400	▼	Under expended due to termination of lease agreement. Savings set-off against over spent in new lease.
Lease Costs - Rattlepod Close, Kununurra	\$ 17,400	▲	Over expended against annual budget. Budget estimate to be reviewed.
Lease Costs - Gardenia Drive, Kununurra	\$ 15,300	▲	Over expended against annual budget. Budget estimate to be reviewed.
Depreciation - Staff Housing	\$ 20,700	▼	Lower depreciation due to staff housing furniture and fittings re-valuation. Budget to be reviewed. Non cash item.
<b>Community Amenities</b>		▼	
Tip Maintenance	\$ 93,700	▲	Timing related to year to date budget estimates. Expect to correct.
Refuse Collection	\$ 121,700	▼	Pending invoices for payments. Timing.
Pre Cyclone Cleanups	\$ 20,100	▲	Over expended to annual budget due to work required for the project higher than predicted. Annual budget to be amended.
Street Tree Planting - Protection of Environment	\$ 11,000	▼	No activity on this project to date in contrast to budget timing forecast.
Waste Management Strategy - Protection of Environment	\$ 30,500	▼	Project in progress. Timing.

# Shire of Wyndham East Kimberley

## Notes to Statement of Financial Activity

For the Period Ended 31 January 2014

(continued)

### Recurrent Expenditure (continued)

#### Community Amenities (continued)

Cemetery Maintenance	\$	22,000	▲	Some maintenance occurred earlier than expected. Timing.
Consultants - Town Planning and Regional Development	\$	10,000	▲	Over expended year to date budget estimate. Expected to correct.
Consultants - Local Planning Strategy MUN	\$	79,200	▼	Timing related to year to date budget estimates. Expect to correct.
Consultants - Foreshore Planning MUN	\$	29,800	▼	Project not yet started. Timing.
Vehicle Expenses - Town Planning and Regional Development	\$	11,200	▼	Lower expenses set-off against higher vehicle expenses in other areas.
Direct Salaries - Community Development Services	\$	29,900	▼	Savings due to vacant positions
Direct Salaries - Wyndham Youth Services	\$	31,300	▼	Savings due to vacant positions
Regional Youth Development Coordinator - Program Expenses	\$	36,900	▼	Timing related to year to date budget estimates. Expect to correct.
Youth Buses and Camper Trailer - Operating Expenditure - Youth Services	\$	21,900	▲	Cost include higher depreciation cost for plant assets due to plant and equipment revaluation. Budget to be amended.
Community Grants	\$	21,500	▼	Some approved grants not yet paid. Timing.
Public Conveniences - Kununurra and Wyndham	\$	22,000	▼	Timing related to year to date budget estimates. Expect to correct.
Administration Salary and Overheads Allocated - Community Amenities	\$	14,100	▼	Timing related to year to date budget estimates. Expect to correct. Non cash item.

#### Recreation and Culture

▲

Building Maintenance - Peter Reid Memorial Hall	\$	11,500	▼	Timing related to year to date budget estimates. Budget to be reviewed.
Direct Salaries - Kununurra Swimming Complex	\$	30,000	▼	Savings due to vacant positions.
Direct Salaries - Recreation Staff - Wyndham Youth and Recreation Centre	\$	28,200	▼	Savings due to vacant positions.
Pool Operating - Wyndham Swimming Complex	\$	29,400	▲	Over expended year-to-date budget estimate due to higher cost on water and electricity.
Direct Salaries & Salary Overheads - Recreation Staff & leisure centre staff - Kununurra	\$	14,300	▼	Savings due to vacant positions.
Foreshores and Boat Ramps - Kununurra	\$	15,800	▲	Timing related to year to date budget estimates. Expect to correct.
Foreshores and Boat Ramps - Wyndham	\$	14,300	▼	Timing related to year to date budget estimates. Expect to correct.
Parks and Gardens Maintenance - Kununurra	\$	117,400	▲	Timing related to year to date budget estimates. Expect to correct.
Kununurra leisure centre building operating & maintenance	\$	30,000	▼	Timing related to year to date budget estimates. Expect to correct.
Oval Lights - Kununurra Grounds	\$	14,800	▼	Lower expenses shown due to credit for insurance claim received for the damages that occurred in previous year.
Depreciation - Recreation and Culture	\$	118,000	▼	Lower depreciation due to some fully depreciated assets. Budget to be amended. Non cash items.
Depreciation - Land Under Control - Land Developments MUN	\$	40,400	▲	New depreciation due to recognition of land under control in Shire's assets register in accordance with recent legislative changes. Budget to be amended. Non cash items.
Depreciation - Land Under Control - Building & Structure MUN	\$	98,000	▲	New depreciation due to recognition of land under control in Shire's assets register in accordance with recent legislative changes. Budget to be amended. Non cash items.

# Shire of Wyndham East Kimberley

## Notes to Statement of Financial Activity

For the Period Ended 31 January 2014

(continued)

### Recurrent Expenditure (continued)

#### Transport ▼

Rural Road Maintenance	\$	59,700	▼	Timing related to year to date budget estimates. Expect to correct.
Urban Road Maintenance - Wyndham	\$	53,700	▼	Timing related to year to date budget estimates. Expect to correct.
Kalumburu Road - Maintenance MUN	\$	10,900	▼	Project started. Timing related to year to date budget estimates.
Street Lighting	\$	19,000	▼	Savings on year to date budget estimate.
Depreciation - Streets, Roads & Bridges - Maintenance	\$	34,800	▲	Higher depreciation due to new addition start depreciating. Budget to be reviewed. Non cash items.
Insurance - Kununurra & Wyndham Airport	\$	12,400	▼	Annual increase in Airport insurance premium lower than expected. Savings
Consultancy Fees - East Kimberley Regional Airport	\$	47,000	▼	Project not yet started. Timing.
Depreciation - East Kimberley Regional Airport	\$	95,900	▼	Lower depreciation than expected. Budget to be reviewed. Non cash items.
Lease Cost (to Muni) - Airport Manager House MUN	\$	18,200	▼	Internal nominal transaction to be recorded though journal process. Set-off against similar income. Timing.
Direct Salaries - Wyndham Airport MUN	\$	18,900	▼	Lower expenses set-off against higher expenses in Direct Salaries - East Kimberley Regional Airport
Passenger Screening Expenses - East Kimberley Regional Airport	\$	41,800	▼	Timing related to year to date budget estimates. Expect to correct.
Administration Salary and Wages Allocated - Transport	\$	10,500	▼	Timing related to year to date budget estimates. Non cash item.

#### Economic Services ▼

East Kimberley Tourism Action Plan - Tourism & Area Promotion MUN	\$	11,000	▲	Project started earlier than expected. Timing.
Admin Salary, Wages & overhead Allocated - Economic Services	\$	13,400	▼	Timing related to year to date budget estimates. Expect to correct. Non cash item.
Economic Development Grants - Other Economic Services	\$	21,100	▼	Timing related to year to date budget estimates. Expect to correct.
Sponsorship - Other Economic Services	\$	10,000	▼	Timing related to year to date budget estimates. Expect to correct.

#### Other Property and Services ▲

Private Works - Expenses	\$	110,100	▲	Higher expenditure due to new projects. Offset higher income for private work.
Public Works Overheads Allocated - Contracts	\$	247,400	▼	Timing related to year to date budget estimates. Non cash item.
Administration Salary and Wages Allocated - General Administration Overheads	\$	86,800	▼	Timing related to year to date budget estimates. Non cash item.
ABC Allocations	\$	63,500	▼	Timing related to year to date budget estimates. Non cash item.
Building Maintenance - Kununurra Depot	\$	18,100	▲	Over expended annual budget estimate. Budget to be reviewed at the budget review.
Building Maintenance - 20 Coolibah - New Kununurra Administration	\$	20,300	▲	Timing related to year to date budget estimates.
Building Operating - 20 Coolibah - New Kununurra Administration MUN	\$	20,400	▲	Timing related to year to date budget estimates.
Depreciation - Kununurra Administration	\$	59,700	▼	Lower depreciation cost than expected due to furniture and fitting revaluation. Budget to be reviewed. Non cash item.

# Shire of Wyndham East Kimberley

## Notes to Statement of Financial Activity

For the Period Ended 31 January 2014

(continued)

### Recurrent Expenditure (continued)

#### Other Property and Services(continued)

Depreciation - Plant Operation	\$ 157,300	▲ Higher depreciation cost due to plant and equipment revaluation. Budget to be amended. Non cash items.
Direct Salaries - Information Services	\$ 14,800	▼ Savings due to vacant positions
Direct Salaries - Executive	\$ 35,200	▼ Savings due to vacant positions
Direct Salaries - Customer Service and Records	\$ 30,200	▼ Savings due to vacant positions
Direct Salaries - Governance	\$ 12,700	▼ Savings due to vacant positions
POC Parts and Repairs	\$ 56,800	▲ Timing related to year to date budget estimates. Expect to correct.
Landcorp /SWEK Deed Agreement - Expenses	\$ 57,800	▼ Un-expended casual engineers time.
Administration Salary and Wages Allocated - Public Works Overheads	\$ 10,900	▼ Timing related to year to date budget estimates. Expect to correct. Non cash item.

### Non Cash Expenditure and Revenue

#### Adjustments and Accruals

Movement in Accruals and Provisions	\$ 54,200	▲ Net increase in actual accrual and provision lower than expected.
Depreciation	\$ 126,400	▲ Higher total depreciation cost due to plant and equipment and furniture and fittings revaluation. Budget to be amended. Non cash items.

### Capital

#### Purchase Land Held for Resale ▼

No material variances to report

#### Purchase Land and Buildings ▼

Waterlily Place - Staff Housing Stage One	\$ 828,600	▼ Project in progress. Timing.
Purchase of 4x2 House in Kununurra MUN	\$ 730,000	▼ Project delayed due to delay in funding process.
Purchase of vacant land - Lakeside MUN	\$ 192,500	▼ Project delayed due to delay in funding process.
Wyndham Oval Toilet	\$ 29,200	▼ Project in progress. Timing.
Wyndham Community Resource Centre (CRC) - Building Upgrade	\$ 71,300	▲ Unbudgeted expenses as the project undertaken by SWEK after the budget adoption. Capital expenses funded by capital grant income.
Banking Security Upgrade - Wyndham Office	\$ 17,500	▼ Project in progress. Timing.

#### Purchase Infrastructure Assets - Roads ▲

Kalumburu Road - Re-sheet	\$ 152,500	▲ Project in progress. Timing.
Coolibah Drive - Caravan pk & high school MUN	\$ 123,700	▼ Project re-scheduled to Apr 2014.
Coolibah - Ironwood Mangaloo MUN	\$ 29,200	▼ Project re-scheduled to Apr 2014.
Kerb renewal	\$ 12,000	▼ Project in progress. Timing.
Foreshore Rd, Wyndham final section pavers MUN	\$ 28,900	▲ Project started earlier than predicted. Timing.

#### Purchase Infrastructure Assets - Footpaths ▼

Footpath renewal	\$ 21,000	▼ Project re-scheduled to Apr 2014.
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# Shire of Wyndham East Kimberley

## Notes to Statement of Financial Activity

For the Period Ended 31 January 2014

*(continued)*

### Capital *(continued)*

#### **Purchase Infrastructure Assets - Drainage**

	▼	
D2 Drain Rehabilitation	\$ 10,900	▼ Project re-scheduled to Apr 2014.
River Farm Road - Drainage Upgrades	\$ 18,400	▼ Project in progress. Timing.
Replace culvert, Gulley Road, Wyndham MUN	\$ 50,000	▼ Project re-scheduled to Feb 2014.
Repair drainage, Hibiscus Drive between Setosa / Gardenia MUN	\$ 30,000	▼ Project re-scheduled to Apr 2014.
Drainage Strategy, re-instate drain, 746m to 1149m MUN	\$ 39,700	▼ Project in progress. Timing.
Drainage Strategy, Survey, Design section 1, Ironwood MUN	\$ 19,100	▼ Design in progress.
Drainage Strategy, Survey/Design, Area 'V', Little BP MUN	\$ 30,000	▼ Design in progress.

#### **Purchase Infrastructure Assets - Other**

	▼	
Kununurra Landfill Site - Liquid Waste Facility	\$ 306,500	▼ Project work progressing. Timing.
Kununurra Landfill Site - Storm Water & Bores MUN	\$ 59,400	▼ Project started. Licence application underway.
Wyndham Landfill Site - Bores MUN	\$ 20,000	▼ Project re-scheduled to Mar 2014.
Kununurra Landfill Site - Green Waste Hardstand MUN	\$ 39,400	▼ Project started. Progressing in early stage.
Kununurra Landfill Site - Capping Existing Site. MUN	\$ 143,900	▼ Project progressing in early stage.
Wyndham Landfill Site - Capping Existing Site MUN	\$ 52,000	▼ Project progressing in early stage.
Kununurra Landfill Site - Re-hab & De-commission Liquid Waste Lagoon MUN	\$ 313,700	▼ Project progressing in early stage.
Kununurra Landfill Site - New Landfill Site Identification MUN	\$ 80,800	▼ Project behind schedule due to availability of consultant.
Landfill Plant - Purchase Price MUN	\$ 24,100	▼ Some orders placed with suppliers. Timing.
Multi Purpose Courts Redevelopment Kununurra	\$ 14,000	▼ Project not yet started.
Konkerberry Drive Carparks (x3)	\$ 50,700	▲ Project work progressing. Timing.
Parking / Safety improvements Mangaloo St MUN	\$ 14,500	▼ Project work progressing. Timing.
Valentine Spring Cattlegrid	\$ 35,600	▲ Higher private work expenditure set off by higher income.
Carpark Upgrade - East Kimberley Regional Airport	\$ 147,700	▼ Project is in design stage.
Security Fence Upgrade - East Kimberley Regional Airport	\$ 11,200	▼ Project started. Waiting for invoices for payment. Timing.
Reseal Apron - East Kimberley Regional Airport	\$ 100,000	▼ Project not yet started.
Pavement Engineering Consultant MUN	\$ 123,100	▼ Project progressing in early stage.

#### **Purchase Infrastructure Assets - Other *(continued)***

Runway Asphalt Overlay MUN	\$ 142,500	▼ Project not yet started.
Welcome to Country Signage - East Kimberley Regional Airport MUN	\$ 80,000	▼ Project not yet started.

# Shire of Wyndham East Kimberley

## Notes to Statement of Financial Activity

For the Period Ended 31 January 2014

(continued)

### Capital (continued)

#### Purchase Plant and Equipment ▼

Gymnasium Equipment - Recreation	\$	20,000	▼	Project not yet started.
Airport Plant - Purchase Price	\$	177,800	▼	Some plant received. Timing.
Heavy Plant - Purchase Price	\$	19,900	▲	Higher expenditure set-off against lower expenditure in light plant purchases.
Light Plant - Purchase Price	\$	72,800	▼	Orders placed with suppliers. Expect some savings. Timing

#### Purchase Furniture and Equipment ▼

Wyndham Youth Service - Setup	\$	26,800	▼	Project progressing in early stage.
Furniture and Equipment - East Kimberley Regional Airport	\$	12,500	▼	Project not yet started.
Server and Network Upgrades - Information Technology	\$	60,000	▼	Project started. Expect to complete by March 14.
Laptop and Desktop Upgrades - Information Technology	\$	55,300	▼	Project started. Items to be purchased through out the year. Timing.
Infrastructure Dept. Landfill Software MUN	\$	18,300	▼	Project progressing in early stage. Staff training to be started.

#### Grants / Contributions for Development of Assets ▼

Country Local Government Fund - Kimberley Regional Collaborative Group	\$	776,900	▼	Estimated timing for receipt of grant earlier than expected. Timing.
Aboriginal Roads Funding - Federal Grants	\$	473,900	▼	Estimated timing for receipt of grant earlier than expected. Timing.
Aboriginal Roads Funding - State Grants	\$	17,200	▼	Income based on progress claim for projects. Timing.
Wyndham Community Resource Centre (CRC) - Building & Infrastructure Grant Fund MUN	\$	90,000	▲	Capital grant received for the project undertaken by SWEK after the budget adoption. Offset unbudgeted capital expenses for the project.
Regional Road Group Grants	\$	453,300	▼	Income based on progress claim for projects. Timing.
Bridges Maintenance - FEDS MUN	\$	63,000	▲	Grant income received earlier than expected. Timing.
Valentine Springs Road Cattlegrid - Contribution	\$	31,400	▲	Higher private work income set off by higher expenditure.
Wyndham Airport Subdivision Land Sales MUN	\$	257,500	▲	Re-zoning and development contribution for Wyndham Airport Land. Budget to be amended at budget review.

#### Proceeds from Disposal of Assets ▼

Airport Plant - Trade Value	\$	14,600	▼	Sale procedure not commenced.
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#### Debentures ▼

New Loan - Liquid Waste Facility	\$	400,000	▼	Process for obtaining new loan not started due to loan funded projects are progressing in early stage.
New Loan - Drainage MUN	\$	125,000	▼	Process for obtaining new loan not started due to loan funded projects are progressing in early stage.
Proposed New Loan - Waste Management MUN	\$	1,695,000	▼	Process for obtaining new loan not started due to loan funded projects are progressing in early stage.

#### Reserves ▼

Reserve Interest - Transfer to Reserve	\$	10,100	▼	Interest income under allocated due to timing of reserve investment maturity.
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# Shire of Wyndham East Kimberley

## Note to Statement of Financial Activity

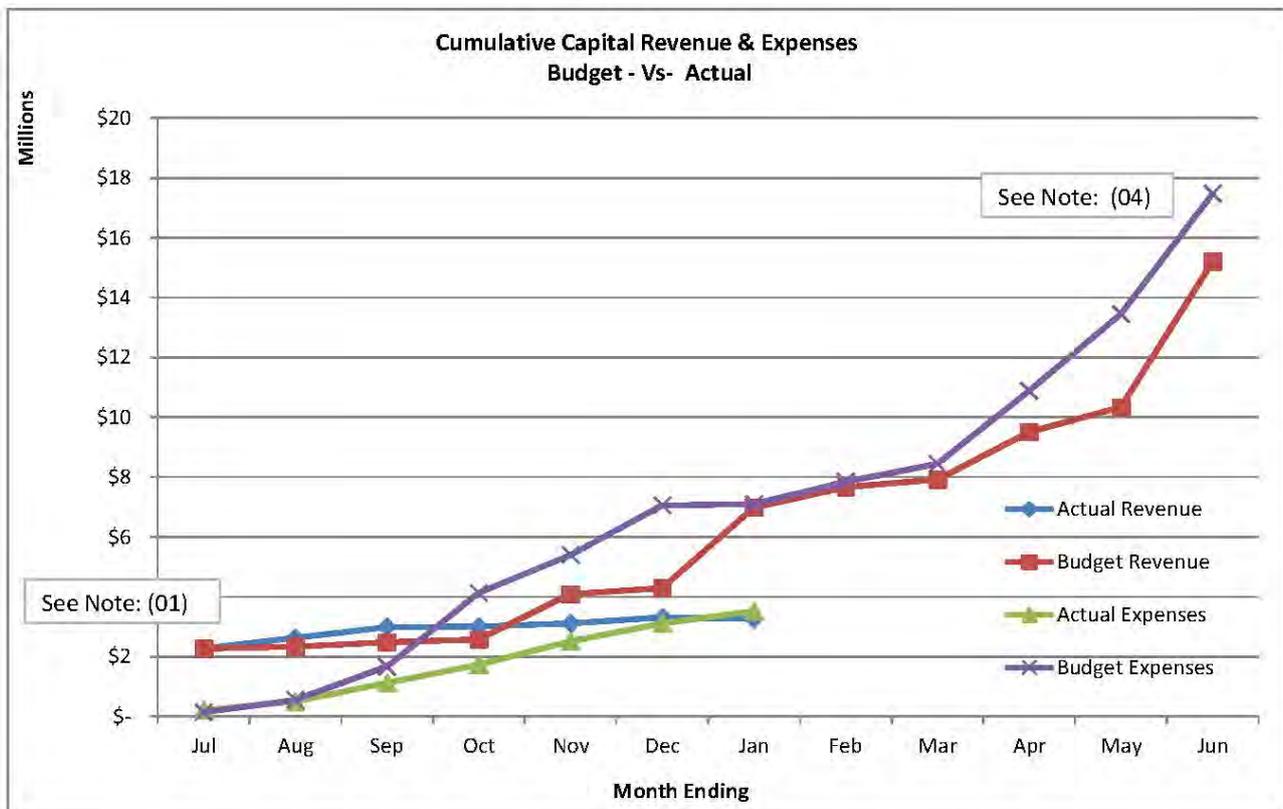
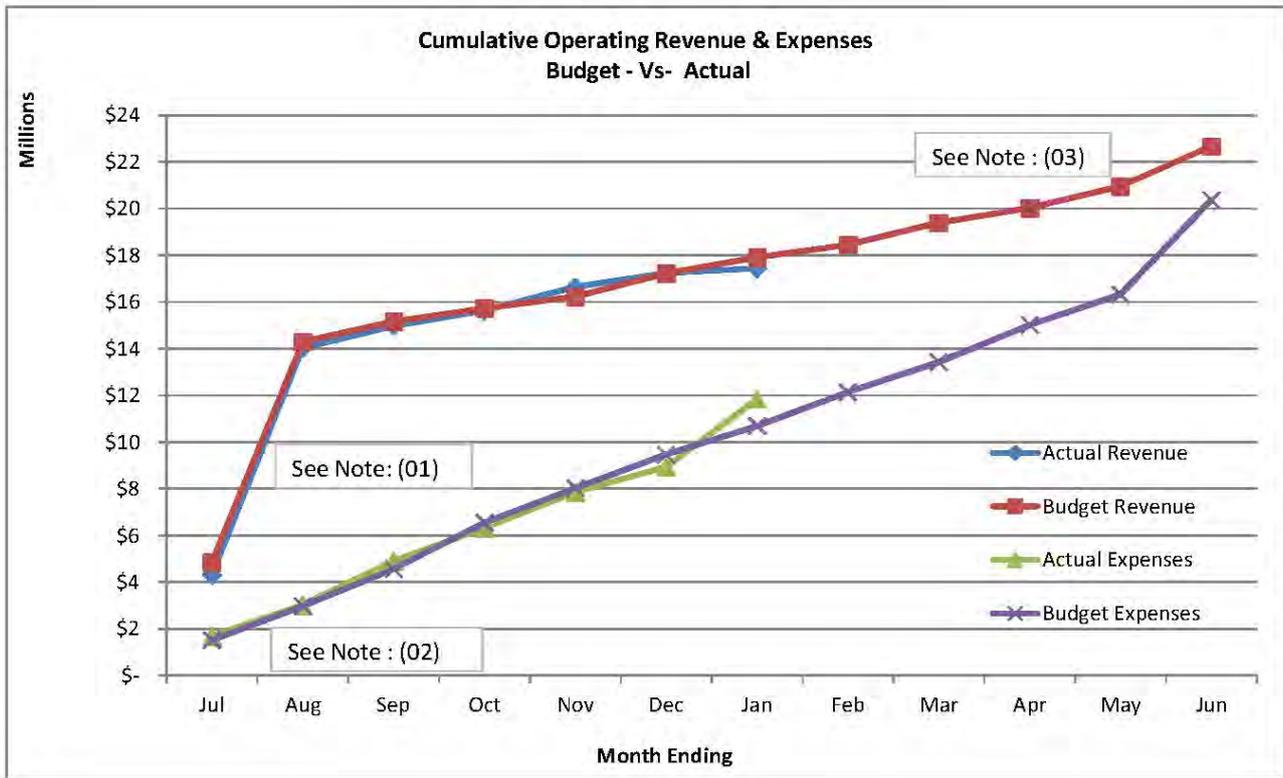
### Budget Remaining to Collect/Spend

as at 31 January 2014

	YTD Actual 2013/14 \$	Annual Budget 2013/14	Budget Remaining 2013/14	
			\$	%
<b>Revenue</b>				
General Purpose Funding	1,370,375	2,251,545	881,170	39% ▼
Governance	68,604	103,850	35,246	34% ▼
Law, Order, Public Safety	35,990	53,318	17,328	32% ▼
Health	59,523	75,200	15,677	21% ▼
Education and Welfare	86,889	174,377	87,488	50% ▼
Housing	126,215	979,459	853,244	87% ▼
Community Amenities	1,806,588	2,592,983	786,395	30% ▼
Recreation and Culture	312,046	620,744	308,698	50% ▼
Transport	2,127,526	4,267,534	2,140,008	50% ▼
Economic Services	48,727	175,000	126,273	72% ▼
Other Property and Services	248,604	143,340	(105,264)	-73% ▲
	<u>6,291,087</u>	<u>11,437,350</u>	<u>5,146,263</u>	<u>45% ▼</u>
<b>Expenses</b>				
General Purpose Funding	(364,479)	(650,513)	(286,034)	44% ▼
Governance	(2,616,177)	(3,385,311)	(769,134)	23% ▼
Law, Order, Public Safety	(420,821)	(674,839)	(254,018)	38% ▼
Health	(266,941)	(467,542)	(200,601)	43% ▼
Education and Welfare	(239,634)	(502,350)	(262,716)	52% ▼
Housing	(368,902)	(597,485)	(228,583)	38% ▼
Community Amenities	(2,621,398)	(4,824,868)	(2,203,470)	46% ▼
Recreation & Culture	(3,035,203)	(5,008,638)	(1,973,435)	39% ▼
Transport	(3,805,111)	(7,053,704)	(3,248,594)	46% ▼
Economic Services	(488,841)	(946,796)	(457,955)	48% ▼
Other Property and Services	(455,785)	(214,350)	241,436	-113% ▲
	<u>(14,683,292)</u>	<u>(24,326,396)</u>	<u>(9,643,104)</u>	<u>40% ▼</u>
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	0	(778,004)	(778,004)	100% ▼
Movement in Accruals and Provisions	(5,717)	48,452	54,169	112% ▼
Depreciation on Assets	2,864,923	4,694,750	1,829,827	39% ▼
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale	0	(504,504)	(504,504)	100% ▼
Purchase Land and Buildings	(425,416)	(3,076,164)	(2,650,748)	86% ▼
Purchase Infrastructure Assets - Roads	(570,251)	(2,058,500)	(1,488,249)	72% ▼
Purchase Infrastructure Assets - Footpaths	0	(31,000)	(31,000)	100% ▼
Purchase Infrastructure Assets - Drainage	(476,301)	(675,000)	(198,699)	29% ▼
Purchase Infrastructure Assets - Other	(1,006,825)	(7,142,044)	(6,135,219)	86% ▼
Purchase Plant and Equipment	(582,054)	(833,485)	(251,431)	30% ▼
Purchase Furniture and Equipment	(100,258)	(469,264)	(369,006)	79% ▼
Grants / Contributions for Development of Assets	1,000,024	6,493,853	5,493,829	85% ▼
Proceeds from Disposal of Assets	153,500	1,015,027	861,527	85% ▼
Proceeds from Sale of Land Held for Resale	0	0	0	0% ▼
Repayment of Debentures	(236,178)	(478,397)	(242,219)	51% ▼
Proceeds from New Debentures	0	2,308,498	2,308,498	100% ▼
Transfers to Reserves (Restricted Assets)	(119,876)	(2,205,013)	(2,085,137)	95% ▼
Transfers from Reserves (Restricted Assets)	0	3,111,153	3,111,153	100% ▼
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	5,702,346	6,068,866	366,520	6% ▼
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	5,354,659	31,300	(5,323,359)	-17008% ▲
<b>Amount Required to be Raised from Rates</b>	<u>7,548,947</u>	<u>7,431,122</u>	<u>(117,825)</u>	<u>-2% ▲</u>

# Shire of Wyndham East Kimberley

Note to Statement of Financial Activity  
as at 31 January 2014



**Note:**

- (01) Start position includes allowance for brought forward surplus from previous financial year, Operating \$ 3.6M & Capital \$ 2.1M
- (02) Budget/Actual operating expenditure excludes non financial transactions (Depreciation, Loss/Profit on assets disposals).
- (03) Surplus income to fund Capital Revenue gap.
- (04) Surplus operating income funds capital gap.

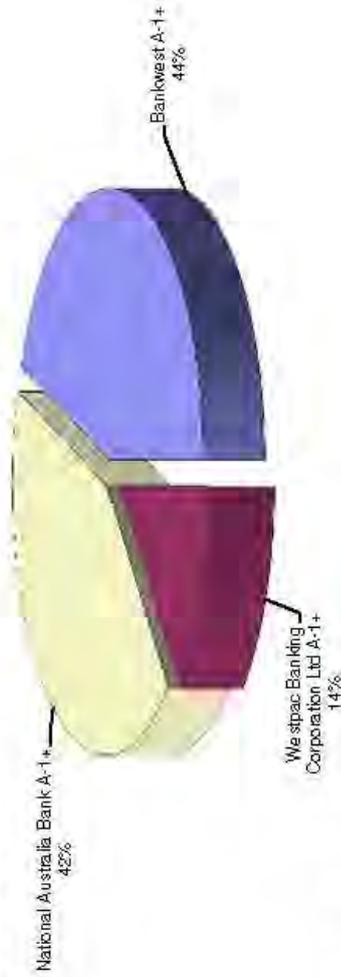
# MONTHLY REPORT ON INVESTMENT PORTFOLIO (CASH)

RESULTS AS AT 31 January 2014

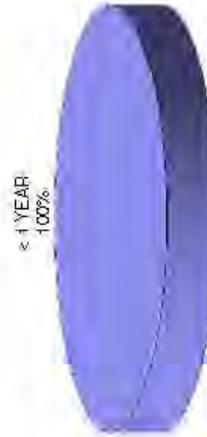
## Overall Portfolio



## Counterparty Credit



## Term to Maturity



### INVESTMENT POLICY F17

#### "Overall Portfolio Limits"

S&P Long Term Rating	S&P Short Term Rating	Maximum %	Maximum %
AAA	A-1+	100%	100%
AA	A-1	100%	100%
A	A-2	60%	80%

Note: "S & P" relates to Standard & Poors credit rating agency

#### "Counterparty Credit Framework"

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1+	45%	50%
AA	A-1	35%	45%
A	A-2	20%	40%

#### "Term to Maturity Framework"

Overall Portfolio Term to Maturity Limits	
Portfolio % < 1 year	100% max 40% min
Portfolio % > 1 year	60%
Portfolio % > 3 year	35%
Portfolio % > 5 year	25%
Individual Investment Maturity Limits	
ADI	5 years
Non-ADI	3 years

Note: "ADI" relates to an Authorised Deposit Institution (authorised under the Banking Act 1959)

### 13.2.2 List of Accounts Paid Under Delegation

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Paul Tily, Finance Officer Asanka Jayakody, Accountant
<b>REPORTING OFFICER:</b>	Natalie Octoman, Director Corporate Services
<b>FILE NO:</b>	FM.09.5

#### **PURPOSE**

To present the listing of accounts paid from the Municipal Fund and Trust Fund in accordance with the requirements of the Local Government (Financial Management) Regulations 1996.

#### **BACKGROUND**

Council delegated to CEO the exercise of its power under Financial Management Regulation 12 to make payments from Municipal Fund and Trust Fund at the Ordinary Council Meeting of 16th August 2011.

#### **STATUTORY IMPLICATIONS**

Local Government Act 1995 – Section 5.42  
Local Government (Financial Management) Regulations 1996 – Regulations 12 and 13

#### **POLICY IMPLICATIONS**

CD\GOV6113 – Payments from Municipal Fund and Trust Fund.

#### **FINANCIAL IMPLICATIONS**

Ongoing management of Council funds by providing Council with sufficient information to monitor and review payments made.

#### **STRATEGIC IMPLICATIONS**

Strategic Community Plan – Strategy 1.4.3  
Maintain Council's long term financial viability

#### **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

#### **COMMENT**

In accordance with statutory requirements, each payment from the Municipal Fund or the Trust Fund is to be noted on a list compiled each month showing: the payee's name, amount of payment, date of payment and sufficient information to identify the transaction. The list is to be presented to Council at the next ordinary meeting of the Council following the preparation of the list and is to be recorded in the minutes of the meeting at which it is presented.

**ATTACHMENTS**

Attachment 1 – List of Accounts Paid from Municipal Fund and Trust Fund

**VOTING REQUIREMENT**

Simple Majority

**OFFICER’S RECOMMENDATION**

That Council receives and accepts the listing of accounts paid from the Municipal and Trust fund, being:

Municipal EFT119901 – EFT120139 (20 December 13 – 28 January 14)	\$ 3,166,672.10
Municipal cheques 42555 - 42611 (11 January – 28 January 14)	\$ 250,818.34
Trust cheques 612 – 630 (06 January – 28 January 14)	\$ 24,398.47
Payroll (08 January – 24 January 14)	\$ 484,865.25
Direct bank debits (2 January – 31 January 14)	\$ 26,690.26
<b>TOTAL</b>	<b>\$ 3,953,444.42</b>

**COUNCIL DECISION**

**Minute No. 10312**

**Moved: Cr K Wright**

**Seconded: Cr D Learbuch**

**That Council receives and accepts the listing of accounts paid from the Municipal and Trust fund, being:**

<b>Municipal EFT119901 – EFT120139 (20 December 13 – 28 January 14)</b>	<b>\$ 3,166,672.10</b>
<b>Municipal cheques 42555 - 42611 (11 January – 28 January 14)</b>	<b>\$ 250,818.34</b>
<b>Trust cheques 612 – 630 (06 January – 28 January 14)</b>	<b>\$ 24,398.47</b>
<b>Payroll (08 January – 24 January 14)</b>	<b>\$ 484,865.25</b>
<b>Direct bank debits (2 January – 31 January 14)</b>	<b>\$ 26,690.26</b>
<b>TOTAL</b>	<b>\$ 3,953,444.42</b>

**Carried Unanimously 9/0**

**LIST OF ACCOUNTS SUBMITTED TO COUNCIL 25 FEBRUARY 2014**

<b>CHQ/EFT</b>	<b>DATE</b>	<b>NAME</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
EFT119901	20/12/2013	EAST KIMBERLEY REAL ESTATE	WATER CONSUMPTION - STAFF HOUSES - 11/09/13 - 12/11/13	15.19
EFT119902	20/12/2013	FENCE FACTORY	SUPPLY FENCING MATERIAL - KUNUNURRA LANDFILL SITE	10,963.85
EFT119903	20/12/2013	GUERINONI & SONS	EXCAVATE NEW SULLAGE PITS - KUNUNURRA LANDFILL SITE	28,481.75
EFT119904	20/12/2013	JASON SIGNMAKERS LTD	1500 X 200 - SINGLE SIDED - BLACK ON WHITE - LOGOS - MULTIPLE ROADS	990.00
EFT119905	20/12/2013	STAFF MEMBER	REIMBURSEMENT – IN ACCORDANCE WITH EMPLOYMENT CONTRACT	431.09
EFT119906	20/12/2013	JSW HOLDINGS PTY LTD	SUPPLY AND LAY CONCRETE KERBING - WELCH STREET WYNDHAM	34,506.73
EFT119907	20/12/2013	KUNUNURRA MEDICAL	DRUG AND ALCOHOL SCREEN- AIRPORT STAFF	154.00
EFT119908	20/12/2013	STAFF MEMBER	REIMBURSEMENT – IN ACCORDANCE WITH EMPLOYMENT CONTRACT	143.10
EFT119909	20/12/2013	KIMBERLEY COMMUNICATIONS	CABLING - KUNUNURRA DEPOT	390.40
EFT119910	20/12/2013	KIMBERLEY TRAINING INSTITUTE	1 X OSH REP TRAINING COURSE - NOV 2013	1,300.00
EFT119911	20/12/2013	KUNUNURRA BETTA ELECTRICAL & GAS	CAMERA - WYNDHAM CHILD CARE CENTRE	199.00
EFT119912	20/12/2013	KNX COMMUNITY RESOURCE CENTRE	PREPARE BIZ PLAN WYN CRC & ADVERTISING EK PHONE BOOK 2014	2,085.00
EFT119913	20/12/2013	KUNUNURRA COURIERS	HIRE OF WATER COOLER AND BOTTLE EXCHANGES LANDFILL SITE - NOV 13	280.00
EFT119914	20/12/2013	KUNUNURRA DIESEL SERVICE	ON-SITE (LANDFILL) AIR-CON REPAIRS - REPAIR - P390	1,072.20
EFT119915	20/12/2013	KUNUNURRA LOCK & KEY	INSTALL A DEAD BOLTS IN DOORS - LEISURE CENTRE KNX	314.50
EFT119916	20/12/2013	KUNUNURRA MAINTENANCE SERVICE	SECURITY UPGRADE - KUNUNURRA YOUTH CENTRE.	33,320.00
EFT119917	20/12/2013	KUNUNURRA PANEL BEATING WORKS	REMOVE STOLEN CAR FROM IVANHOE RD TO KUNUNURRA LANDFILL SITE	110.00
EFT119918	20/12/2013	MARTELL ROAD MAINTENANCE	EMULSION & SEAL ROAD FOR DRAINAGE - COOLIBAH, RIVER FARM RD	5,126.00
EFT119919	20/12/2013	MCLEAN ENTERPRISES PTY LTD	FREIGHT FROM FENCE FACTORY - KUNUNURRA LANDFILL SITE	3,300.00
EFT119920	20/12/2013	MCLERNONS	6 TIER LOCKER & PIGEON HOLE & FREIGHT - KUNUNURRA DEPOT	725.00
EFT119921	20/12/2013	METALAND KUNUNURRA	80MM & 50MM GAL PIPES - GATES - KUNUNURRA LANDFILL	1,393.11
EFT119922	20/12/2013	STAFF MEMBER	REIMBURSEMENT - INACCORDANCE WITH EMPLOYMENT CONTRACT	161.58
EFT119923	20/12/2013	STAFF MEMBER	REIMBURSEMENT - INACCORDANCE WITH EMPLOYMENT CONTRACT	900.00
EFT119924	20/12/2013	ORDCO	20LT BUFF SPRAY, 20LT RAZE, 5LT KAMBA, 1LT BIFENTHRIN - KNX DEPOT	1,097.80
EFT119925	20/12/2013	ORD RIVER PLANT HIRE PTY LTD	DRY HIRE OF BACKHOE FOR 6 DAYS - TIP MAINTENANCE - WYNDHAM	4,840.00
EFT119926	20/12/2013	STAFF MEMBER	REIMBURSEMENT - INACCORDANCE WITH EMPLOYMENT CONTRACT	116.90
EFT119927	20/12/2013	QUICK CORPORATE AUSTRALIA	STATIONARY ORDER - NOV 2013	2,179.49
EFT119928	20/12/2013	SGS ENVIRONMENTAL SERVICES	BORE WATER MONITORING - TIP MAINTENANCE - KUNUNURRA	708.40
EFT119929	20/12/2013	SURVEY NORTH	SURVEY - WELCH STREET, COTTONWOOD, KONKERBERRY, WEERO RD	7,260.00
EFT119930	20/12/2013	STAFF MEMBER	REIMBURSEMENT - INACCORDANCE WITH EMPLOYMENT CONTRACT	743.67

EFT119931	20/12/2013	TRAVELWORLD KUNUNURRA	FLIGHTS- STAFF MEMBERS TRAINING	2,660.84
EFT119932	20/12/2013	TYREPLUS KUNUNURRA	TYRES - P379 , PUNCTURE REPAIR P491 AND P479	1,708.00
EFT119933	20/12/2013	VANDERFIELD NORTHWEST PTY LTD	NEW RIDE ON MOWER, REPAIR P491	30,201.38
EFT119934	20/12/2013	WA LOCAL GOVERNMENT ASSOCIATION	SEEK 10 AD PACKS, SURVEY RESULTS, ONLINE TRAINING	1,988.80
EFT119935	20/12/2013	STAFF MEMBER	REIMBURSEMENT – RELOCATION COSTS	3,171.86
EFT119936	20/12/2013	WESFARMERS KLEENHEAT GAS PTY LTD	ANNUAL GAS CYLINDER SERVICE CHARGE - STAFF HOUSE - KOOLAMA ST	66.00
EFT119937	20/12/2013	WYNDHAM SUPERMARKET	PROGRAMMING SUPPLIERS - WYN CHILDCARE	102.23
EFT119938	20/12/2013	AIR LIQUIDE WA PTY LTD	OXYGEN. ACETYLENE, MIGSHIELD CYL - WYN DEPOT	1,131.57
EFT119939	20/12/2013	STAFF MEMBER	REIMBURSEMENT – IN ACCORDANCE WITH EMPLOYMENT CONTRACT	1,000.00
EFT119940	20/12/2013	EAST KIMBERLEY CONSTRUCTION PTY LTD	REFUND OF BUILDING FEES OVERCHARGED. BP067/2013 REC# 385236	275.00
EFT119941	20/12/2013	STAFF MEMBER	REIMBURSEMENT – IN ACCORDANCE WITH EMPLOYMENT CONTRACT	146.96
EFT119942	20/12/2013	JAB INDUSTRIES	EXCAVATOR HIRE - LANDFILL	19,525.00
EFT119943	20/12/2013	STAFF MEMBER	REIMBURSEMENT - INACCORDANCE WITH EMPLOYMENT CONTRACT	182.04
EFT119944	20/12/2013	MCINTOSH & SON	FREIGHT - KUNUNURRA DEPOT	179.30
EFT119945	20/12/2013	MCLEODS BARRISTERS AND SOLICITORS	LEGAL ADVICES	243.32
EFT119946	20/12/2013	RAPISCAN SYSTEMS AUSTRALIA PTY LTD	SYSTEMS SUPPORT AGREEMENT 1/12/13 - 30/11/14 - KNX AIRPORT	64,900.00
EFT119947	20/12/2013	THORLEY'S STORE - WYNDHAM	CONSUMABLES – WYNDHAM YOUTH CENTRE	15.80
EFT119948	20/12/2013	TRUCK CENTRE (WA) PTY LTD	UD NISSAN 2013 TIP TRUCK	195,505.35
EFT119949	11/01/2014	ALS ENVIRONMENTAL	SAMPLING - HORSE SHOE LAGOON- KUNUNURRA TIP	1,991.00
EFT119950	11/01/2014	ATO CHILD SUPPORT AGENCY	PAYROLL DEDUCTIONS	651.44
EFT119951	11/01/2014	ACE CORPORATE APPAREL	HIVIS POLO LONG SLEEVE EMBROIDER SWEK UNIFORMS	386.43
EFT119952	11/01/2014	ALCHEMY CORPORATE CONSULTING SER.	CONSULTING FEES ACTING DFS POSITION	1,069.20
EFT119953	11/01/2014	ASPEN PARKS - KUNUNURRA COUNTRY CLUB	TOURISM ACTION PLAN POST BRIEFING - 5/11/13	674.90
EFT119954	11/01/2014	AUSTRALIAN SERVICES UNION	PAYROLL DEDUCTIONS	439.92
EFT119955	11/01/2014	AUSTRALIAN TAXATION OFFICE - PAYG	PAYROLL DEDUCTIONS	162,321.00
EFT119956	11/01/2014	BERM BACKHOE HIRE	HIRE OF BACKHOE FOR RURAL ROAD SLASHING - KUNUNURRA	9,317.00
EFT119957	11/01/2014	BOAB REFRIGERATION AND AIRCON	INSTALL 4 X FILTERS, 4 X DRIVE BELTS, SERVICE AIRCON - KNX AIRPORT	4,733.00
EFT119958	11/01/2014	BEINGTHERE SOLUTIONS PTY LTD	SUBSCRIPTION VIDEO CONFERENCING - DEC 2013	715.00
EFT119959	11/01/2014	BLACKWOODS ATKINS PTY LTD	PACKS - DUST MASKS, GLOVES X 12 - KNX DEPOT	194.39
EFT119960	11/01/2014	BUSHCAMP SURPLUS STORE	STEEL CAP BOOTS FOR STAFF MEMBER - INFRASTRUCTURE	146.95
EFT119961	11/01/2014	CENTURION TRANSPORT	FREIGHT FROM PERTH PETROLIUM	78.54
EFT119962	11/01/2014	CR DI AUSBURN	MEMBERS PAYMENT 01/10/13-19/10/13	1,165.33
EFT119963	11/01/2014	CR GARY KING	MEMBERS PAYMENT 01/10/13-30/12/13	2,815.02
EFT119964	11/01/2014	CR GLENN MATTHEW TAYLOR	MEMBERS PAYMENT 01/10/13-30/12/13	2,815.02

EFT119965	11/01/2014	CR JACKIE MCCOY	MEMBERS PAYMENT 01/10/13-19/10/13	836.54
EFT119966	11/01/2014	CR JANE PARKER	MEMBERS PAYMENT 01/10/13-19/10/13	836.54
EFT119967	11/01/2014	CR SOPHIE ANN COOKE	MEMBERS PAYMENT 01/10/13-30/12/13	2,815.02
EFT119968	11/01/2014	CROCODILE SIGNS PTY LTD	SIGNAGE - WYNDHAM COMMUNITY RESOURCE CENTRE	2,475.00
EFT119969	11/01/2014	DATA #3 LICENSING SOLUTIONS	ADOBE PHOTOSHOP CS6 (V13) LICENSE	933.60
EFT119970	11/01/2014	EAST KIMBERLEY HARDWARE	VARIOUS HARDWARE ITEMS - KNX DEPOT & ADMIN	1,341.25
EFT119971	11/01/2014	ENIGMA BUSINESS PRODUCTS	LAPTOP, DOCKING STATION, MOUSE, BAG - KNX & WYN	5,558.30
EFT119972	11/01/2014	GUERINONI & SONS	CANON' WATER CART HIRE-LANDFILL FIRE AND AGGREGATE -KNX LANDFILL	7,569.13
EFT119973	11/01/2014	HUM CONSULTING	CONSULTANCY - ICT NETWORK SERVICES HELP	4,158.00
EFT119974	11/01/2014	IBAC PLUMBING PTY LTD	PLUMBING WORKS - KNX LEISURE CENTRE AND ADMIN OFFICE	1,442.01
EFT119975	11/01/2014	JAB INDUSTRIES	EXCAVATOR, TIPPER AND LOADER HIRE - KNX LANDFILL	20,926.40
EFT119976	11/01/2014	KUNUNURRA MEDICAL	DRUG AND ALCOHOL SCREEN - PRE EMPLOYMENT - KNX AIRPORT	77.00
EFT119977	11/01/2014	KIMBERLEY COMMUNICATIONS	DISPLAY AND FIT BASE STATION AND ANTENNA - KNX LANDFILL	4,374.00
EFT119978	11/01/2014	KIMBERLEY MARKETING - CASH AND CARRY	DISPOSABLE CUTLERY FOR STAFF CHRISTMAS PARTY 2013	23.10
EFT119979	11/01/2014	KIMBERLEY TRAINING INSTITUTE	TRAINING REGISTRATION- CERT II IN HORTICULTURE - VARIOUS STAFF	632.58
EFT119980	11/01/2014	KUNUNURRA BETTA ELECTRICAL & GAS	REPLACEMENT DISHWASHER - YOUTH CENTRE	797.00
EFT119981	11/01/2014	KUNUNURRA COMMERCIAL BODY WORKS	REPLACE WINDSCREEN - P116	440.00
EFT119982	11/01/2014	KUNUNURRA GYMNASTICS CLUB	GRANT FOR KIDSPORT MEMBERSHIP	200.00
EFT119983	11/01/2014	KUNUNURRA HOME & GARDEN	RAPID SET CONCRETE - KNX DEPOT	499.00
EFT119984	11/01/2014	KUNUNURRA LOCK & KEY	NEW LOCK & KEY - LANDFILL GATE	110.00
EFT119985	11/01/2014	KUNUNURRA MOBILE WELDING SERVICE	SAFETY BARRIERS - KNX AIRPORT, FIT FRONT SCOOP -WEED HARVESTER	3,443.00
EFT119986	11/01/2014	L.G.R.C.E.U	PAYROLL DEDUCTIONS	38.80
EFT119987	11/01/2014	MAXXIA	PAYROLL DEDUCTIONS	11,275.12
EFT119988	11/01/2014	STAFF MEMBER	REIMBURSEMENT - INACCORDANCE WITH EMPLOYMENT CONTRACT	6,238.15
EFT119989	11/01/2014	NYTROWORX	REPAINT TOILET, REPAIR LANE ROPES, FIX DEFECT LIGHT AND FANS - KLC	2,107.43
EFT119990	11/01/2014	ORD RIVER ELECTRICS	ELECTRICAL WORK ON CARETAKER UNIT- KNX DEPOT	499.08
EFT119991	11/01/2014	ORDCO	BIFENTHRIN - KNX DEPOT	121.00
EFT119992	11/01/2014	OLLIE'S IRRIGATIONS & PLUMBING SUPPLIES	VARIOUS HARDWARE ITEMS - KNX DEPOT, RETIC MAINTENANCE	547.30
EFT119993	11/01/2014	ORD FUEL SUPPLIES	GREASE TUB - KNX DEPOT	206.11
EFT119994	11/01/2014	PPCA LTD	FITNESS CLASSES MUSIC LICENCES - KNX LEISURE CENTRE	650.00
EFT119995	11/01/2014	STAFF MEMBER	REIMBURSEMENT - INACCORDANCE WITH EMPLOYMENT CONTRACT	418.75
EFT119996	11/01/2014	PRIORITY 1 FIRE AND SAFETY PTY LTD	FIRE WARDEN AND CHIEF FIRE WARDEN TRAINING 17 STAFF - KNX & WYN	2,200.00
EFT119997	11/01/2014	SJR CIVIL CONSULTING PTY LTD	VISITING KNX TO VISIT JOB SITES - ENGINEERING CONSULTANT	3,000.00
EFT119998	11/01/2014	SHIRE OF WYNDHAM EAST KIMBERLEY	PAYROLL DEDUCTIONS	140.00

EFT119999	11/01/2014	THE CANVAS SHED	SHADE SAILS - KNX AIRPORT, BLINDS- KNX DEPOT CARETAKER UNIT	4,065.29
EFT120000	11/01/2014	TST ELECTRICAL	SUPPLY AND INSTALL POWER TO NEW DONGA - KNX LANDFILL SITE	6,300.00
EFT120001	11/01/2014	TOP END MOTORS	50,000KM SERVICE - P122	527.40
EFT120002	11/01/2014	TRAVELWORLD KUNUNURRA	FLIGHTS - 2 X INFRASTRUCTURE & KNX POOL STAFF	3,023.00
EFT120003	11/01/2014	TYREPLUS KUNUNURRA	NEW TYRES , 1 X NEW RIM - P368, PUNCTURES- P491	796.50
EFT120004	11/01/2014	UHY HAINES NORTON (WA) PTY LTD	ACCOUNT SERVICES - 2012/13 ANNUAL ROADS TO RECOVERY	12,925.00
EFT120005	11/01/2014	VANDERFIELD NORTHWEST PTY LTD	REPAIR - P479, P135, PARTS - P491, P129	1,599.18
EFT120006	11/01/2014	WA LOCAL GOVERNMENT SUPER	SUPERANNUATION CONTRIBUTIONS	68,233.60
EFT120007	11/01/2014	WESTRAC EQUIPMENT PTY LTD	REPAIR & PARTS - P488, ALIGNMENT - P390	6,602.89
EFT120008	11/01/2014	WYNDHAM SUPERMARKET	GOODS AND MATERIALS TO FIT OUT - WYNDHAM TIP NEW OFFICE	308.54
EFT120009	20/01/2014	ASK WASTE MANAGEMENT	REPLACE LIQUID FACILITY -KNX TIP, EXTEND - WYN TIP, NEW TIP SITE - KNX	10,469.80
EFT120010	20/01/2014	AUSFUEL AFD AUSTRALIAN FUEL DISTRI.	FUEL COSTS - NOV 13	1,295.35
EFT120011	20/01/2014	AUSTRALIA POST - ACCOUNTS RECEIVABLE	POSTAGE AND STATIONERY PUCHASES - NOV 13	491.07
EFT120012	20/01/2014	BOC GASES AUSTRALIAN LIMITED	INDUSTRIAL BOTTLE RENTAL - NOV 13	425.19
EFT120013	20/01/2014	BEST KIMBERLEY COMPUTING	PRINTING COSTS - NOV 13	1,823.11
EFT120014	20/01/2014	BLACKWOODS ATKINS PTY LTD	BOOT BRUSH AND TRUCK WASH - KNX DEPOT	433.91
EFT120015	20/01/2014	CENTURION TRANSPORT	FREIGHT COST - AIRPORT AND DEPOT KNX	251.69
EFT120016	20/01/2014	CHEFMASTER AUSTRALIA	100LT AND 80LT BIN LINERS (3600 BAGS) - LITTER CONTROL -KNX	1,131.20
EFT120017	20/01/2014	CIVIC LEGAL	LEGAL ADVICE - LEASE AGREEMENTS	8,245.27
EFT120018	20/01/2014	COATES HIRE OPERATIONS PTY LTD	ROLLER HIRE - MULLIGANS LAGOON	2,332.00
EFT120019	20/01/2014	COCA-COLA AMATIL	BEVERAGES FOR SALE - KNX LEISURE CENTRE	1,071.86
EFT120020	20/01/2014	CROCODILE SIGNS PTY LTD	SIGNS - KUNUNURRA LANDFILL	2,297.90
EFT120021	20/01/2014	DSC CONTRACTING	UPGRADE - SECURITY SYSTEM - KNX LEISURE CENTRE	1,499.70
EFT120022	20/01/2014	DAVEY TYRE & BATTERY SERVICE	NEW BATTERY FOR BACKHOE - KNX TIP	284.00
EFT120023	20/01/2014	EAST KIMBERLEY PLUMBING	PLUMBING WORKS - WYN POOL, AIRPORT - KNX, SWIM BCH - KNX	1,330.80
EFT120024	20/01/2014	FUJI XEROX AUSTRALIA P/L	PRINTER COSTS - JUNE - DEC 2013	2,932.08
EFT120025	20/01/2014	FIVE RIVERS CAFE	CATERING FOR WYNDHAM CHILD CARE/WELA CHRISTMAS PARTY	500.00
EFT120026	20/01/2014	FRONTIER POST & NEWS	STATIONARY - PAPERS, BOOKS, DATA CARDS - WYN ADMIN	161.35
EFT120027	20/01/2014	GUERINONI & SONS	RETAINING WALL WATERLILY PLACE - KNX STAFF HOUSING PROJECT	4,765.65
EFT120028	20/01/2014	HOPKINS HIRE	CRANE & DOGMAN HIRE - TRUCK REMOVAL - KNX	503.25
EFT120029	20/01/2014	HORIZON POWER - NON ENERGY	INSTALL POWER POST -WEABER PLAINS RD, CROSSING FALLS RD, KNX	1,500.00
EFT120030	20/01/2014	HYDRO KLEEN	CLEAN AIRCONS - 6 SHIRE PROPERTIES - KNX	3,366.00
EFT120031	20/01/2014	J & C ATKINS CONTRACTING PTY LTD	WYNDHAM POOL FENCE REPAIRS	220.00
EFT120032	20/01/2014	JASON SIGNMAKERS LTD	SIGNS WITH BRACKETS TO SUIT - O DONNELL ST.	396.00

EFT120033	20/01/2014	JSW HOLDINGS PTY LTD	AGGREGATE AND SAND - CARPARK, CELEBRITY PARK AND DEPOT KNX	1,261.70
EFT120034	20/01/2014	JAB INDUSTRIES	HIRE CAT DIGGER, EXCAVATOR AND LOADER - IVANHOE DRAIN	11,250.80
EFT120035	20/01/2014	JORRITSMAN H & CO	25MM ELBOWS AND TOILET CHEMICALS	100.00
EFT120036	20/01/2014	KUNUNURRA MEDICAL	IMMUNISATION - HEP A, HEP B & TETANUS - 4 STAFF RANGERS KNX	528.00
EFT120037	20/01/2014	STAFF MEMBER	REIMBURSEMENT - INACCORDANCE WITH EMPLOYMENT CONTRACT	114.95
EFT120038	20/01/2014	KIMBERLEY COMMUNICATIONS	THURAYA XT SATELLITE HANDSET	1,099.00
EFT120039	20/01/2014	KIMBERLEY HYDRAULICS	HYDRAULIC MOTOR - CUMBUNGI HARVESTER	968.00
EFT120040	20/01/2014	KIMBERLEY KOOL REFRIGERATION & AIRCON	REPLACE AIRCONS, FIX AIRCONS & ICE MACHINE - 4 LOCATIONS - KNX	4,488.00
EFT120041	20/01/2014	KIMBERLEY MARKETING - CASH AND CARRY	ICEBLOCKS AND ICE-CREAMS FOR SALE - LEISURE CENTRE KNX	500.67
EFT120042	20/01/2014	KIMBERLEY MOTORS	FUEL COSTS NOV 13 - WYNDHAM	4,521.57
EFT120043	20/01/2014	KIMBERLEY PUMPING SERVICE	PLUMBING WORKS - WYN LANDFILL, KNX POOL	8,585.00
EFT120044	20/01/2014	KIMBERLEY SOILS LABORATORY	SOIL SAMPLING - LANDFILL SITE	646.80
EFT120045	20/01/2014	KIMBERLEY TRAINING INSTITUTE	ENROLMENT IN CERT 3 CHILDREN'S SERVICES - 2 STAFF	163.30
EFT120046	20/01/2014	KUNUNURRA BETTA ELECTRICAL & GAS	32GB CARD X 2, FREEZER AND AIRCON, STOVE - KNX AND WYN	1,806.90
EFT120047	20/01/2014	KUNUNURRA COMMERCIAL LAUNDRY	DRYCLEANING FOR RETURNED STAFF UNIFORMS	166.35
EFT120048	20/01/2014	KUNUNURRA COURIERS	RECEPTION WATER - NOV 2013	40.00
EFT120049	20/01/2014	KUNUNURRA DIESEL SERVICE	FLH LENS COVER INDICATOR ASSEMBLY -P360	325.50
EFT120050	20/01/2014	KUNUNURRA DISTRICT HIGH SCHOOL	PHOTOCOPIER CHARGES FROM KDHS - OCT 13	116.85
EFT120051	20/01/2014	KUNUNURRA HOME & GARDEN	GAS BOTTLES, CHISEL, HOSE FITTING, NOZZLE, BROOM - VARI. LOCATIONS	612.70
EFT120052	20/01/2014	KUNUNURRA LOCK & KEY	SKIDSTEER CAB - P136	110.00
EFT120053	20/01/2014	KUNUNURRA POOLS & SPAS	LUBE, POOL SCOOP, THERMOMETER	136.00
EFT120054	20/01/2014	LANDGATE	LAND ENQUIRIES EASEMENTS, MINING TENEMENTS, RATES - DEC 13	1,441.93
EFT120055	20/01/2014	MCINTOSH & SON	SUPPLY CLUTCH PARTS FOR RADIATOR FAN - P354	430.67
EFT120056	20/01/2014	MCLEAN ENTERPRISES PTY LTD	FREIGHT COSTS - DEPOT KNX	1,870.00
EFT120057	20/01/2014	MCLERNONS	CHAIRS, TABLES, CUPBOARDS - GATE HOUSE KNX AND WYN TIPS	1,321.30
EFT120058	20/01/2014	NYTROWORX	MAINTENANCE WORKS - 11 X VARIOUS LOCATIONS - KNX	9,230.57
EFT120059	20/01/2014	ORD RIVER ELECTRICS	RESTORE FIRE ALARM PANEL TO OPERATION - KNX ADMIN	316.25
EFT120060	20/01/2014	ORICA AUSTRALIA PTY LTD	WYNDHAM CHLORINE GAS CYLINDERS (3 X 70 KG) - KLC - DEC 2013)	1,131.90
EFT120061	20/01/2014	OFFICE NATIONAL KUNUNURRA	OFFICE SUPPLIES - KNX ADMIN	479.95
EFT120062	20/01/2014	OLLIE'S IRRIGATIONS & PLUMBING SUPPLIES	RETIC EQUIPMENT - KNX & WYN	1,492.76
EFT120063	20/01/2014	ORD FUEL SUPPLIES	DIESEL - NOV - DEC 2013 - SHIRE DEPOT	25,300.36
EFT120064	20/01/2014	ORD RIVER PLANT HIRE PTY LTD	BACKHOE HIRE - WYN TIP & FORESHORE RD.	9,240.00
EFT120065	20/01/2014	P & D A JENNINGS	REPAIRS TO AIRCON - P333	473.00
EFT120066	20/01/2014	PORTNER PRESS PTY LTD	EMPLOYMENT LAW UPDATE 7 - FINAL PAYMENTS	194.00

EFT120067	20/01/2014	PRITCHARD FRANCIS	FOOTING DESIGN SIGNAGE AT ANTON'S LANDING - WYN	957.00
EFT120068	20/01/2014	PUMPLINE PTY LTD	HOPPER, LINE DRIVERS, POINTER GUIDE, LINE MARKER - KNX DEPOT	906.40
EFT120069	20/01/2014	QUICK CORPORATE AUSTRALIA	STATIONARY FRO - DEC 2013	850.28
EFT120070	20/01/2014	SEARLES HOLDINGS T/A AUTO PRO	WIRE, TERMINALS, CABLE, NEW SPRAY RIG - KNX DEPOT	28.35
EFT120071	20/01/2014	SGS ENVIRONMENTAL SERVICES	TSS, 8 HEAVY METALS, TPH SILICA GEL CLEAN UP - PREVENTATIVE SERVICES	221.10
EFT120072	20/01/2014	SHOAL AIR PTY LTD	REMOTE FLIGHTS FOR BOOK WEEK - KUNUNURRA TO KALUMBARU	1,621.00
EFT120073	20/01/2014	TELFORD INDUSTRIES	POOL CHEMICALS - WYN AND KNX POOL	5,612.86
EFT120074	20/01/2014	TNT AUSTRALIA PTY LIMITED	FREIGHT - MALAGA AND NEWBURN - HEALTH KNX	313.30
EFT120075	20/01/2014	TOLL EXPRESS	FREIGHT - STATE LIBRARY SERVICES - LIBRARY KNX	189.81
EFT120076	20/01/2014	TST ELECTRICAL	FIT POWER POINT FOR GENERATOR - WYN LANDFILL SITE DONGA	325.00
EFT120077	20/01/2014	THE DUKE OF EDINBURGH'S AWARD	KIDSPORT MEMBERSHIP BRONZE AWARD - THOMPSON CROSS	105.00
EFT120078	20/01/2014	TOWN AND COUNTRY DIESEL SERVICES	SERVICE & REPAIR - P477	1,837.00
EFT120079	20/01/2014	TRAVELWORLD KUNUNURRA	FLIGHTS FOR WYN AND KNX POOL STAFF - FEB 2014	623.00
EFT120080	20/01/2014	TROPICAL PEST CONTROL	SPRAY SURROUNDING GRASSED AREA FOR SINGAPORE ANTS-AUTO TOILET	85.00
EFT120081	20/01/2014	TUCKERBOX / RETRAVISION KUNUNURRA	CATERING FOR AEP EXERCISE, COUNCIL MEETINGS, CHRISTMAS FUNCTION	1,934.05
EFT120082	20/01/2014	TYREPLUS KUNUNURRA	TYRES - P490	1,500.00
EFT120083	20/01/2014	VANDERFIELD NORTHWEST PTY LTD	REPLACE LIGHT AND DIFF, WINDSCREEN - P314 , MOWER BLADES	438.90
EFT120084	20/01/2014	WA LOCAL GOVERNMENT ASSOCIATION	TENDER T02 2013/2014 PROF CONSULTANCY ENGINEERING SERVICES	882.74
EFT120085	20/01/2014	WALKABOUT SOUVENIRS	CITIZENSHIP GIFTS - 5 DEC 2013 CEREMONY.	680.97
EFT120086	20/01/2014	WESTBOOKS	BOOK PURCHASES FOR LIBRARY COLLECTION - LIBRARY KNX	429.36
EFT120087	20/01/2014	WESTRAC EQUIPMENT PTY LTD	SWITCH FOR SELF GREASER ON TRACKED LOADER - P390	1,370.71
EFT120088	20/01/2014	WYNDHAM EXCAVATIONS	HIRE TIPPER AND LOADER, REPAIR BACKHOE - P354	2,908.00
EFT120089	20/01/2014	WALER AUSTRALIA P/L	FILTER SCREEN, ROLLER, CHASSIS, FREIGHT - WYN POOL	1,018.46
EFT120090	20/01/2014	WILSON HIRE	TRAILER HIRE - PICK UP MOWER FROM HALLS CREEK	176.00
EFT120091	23/01/2014	SHIRE OF BROOME	REPAYMENT OF GRANT-CLGF HOUSING CONSTRUCTION- KIMBERLEY ZONE	1,784,220.54
EFT120092	28/01/2014	ALLIED PICKFORDS	RELOCATION COSTS - DIRECTOR CORPORATE SERVICES	15,092.00
EFT120093	28/01/2014	ATO CHILD SUPPORT AGENCY	PAYROLL DEDUCTIONS	771.46
EFT120094	28/01/2014	AIRPORT LIGHTING SPECIALISTS	IMAX20 SENSING TRANSFORMER, 2-20 AMP -KNX AIRPORT	203.50
EFT120095	28/01/2014	ALLGEAR MOTORCYCLES AND SMALL ENGI.	TRAILER PUMP MOTOR, ORINGS, CUTTERS -KNX DEPOT	160.00
EFT120096	28/01/2014	ANALYTICAL REFERENCE LABORATORY	ANALYSIS SAMPLES - PREVENTATIVE SERVICES	121.00
EFT120097	28/01/2014	AUSTRALIAN SERVICES UNION	PAYROLL DEDUCTIONS	219.96
EFT120098	28/01/2014	AUSTRALIAN TAXATION OFFICE - PAYG	PAYROLL DEDUCTIONS	75,049.00
EFT120099	28/01/2014	B VISUAL MEDIA	COUNCILLOR PHOTOGRAPHS FOR USE ON WEBSITE & SHIRE PUBLICATIONS	495.00
EFT120100	28/01/2014	BOAB REFRIGERATION AND AIRCON	TO RECTIFY FAULTS ON AIRCONS - TERMINAL - AIRPORT KNX	660.00

EFT120101	28/01/2014	BLACKWOODS ATKINS PTY LTD	BAGS OF RAGS - KNX DEPOT	141.66
EFT120102	28/01/2014	BUSHCAMP SURPLUS STORE	3 PAIRS OF WORK SHORTS - KNX DEPOT	171.00
EFT120103	28/01/2014	CENTURION TRANSPORT	FREIGHT - PUMPLINE - AIRPORT KNX	100.69
EFT120104	28/01/2014	CHADSON ENGINEERING	TABLETS (TOTAL CHLORINE) - PREVENTATIVE SERVICES	40.70
EFT120105	28/01/2014	COATES HIRE OPERATIONS PTY LTD	HIRE OF 10 KVA GEN - WYNDHAM LANDFILL SITE - DEC 13	1,782.00
EFT120106	28/01/2014	DELRON CLEANING PTY LTD	SUPPLY 1 X 4KG OF MOUNTAIN BREEZE FRESH BLOCKS FOR URINAL	72.40
EFT120107	28/01/2014	DORMA AUTOMATICS PTY LTD	6 MONTHLY INSPECT AND SERVICE OF AUTO DOORS (X3), 18 BATTERIES	1,383.45
EFT120108	28/01/2014	FUJI XEROX AUSTRALIA P/L	PRINTING AND COPIER COSTS- OCT 13	255.20
EFT120109	28/01/2014	FARMERS FRUIT AND VEG MART	LUNCH 5 STAFF MEMBERS- REMOTE POLLING STATION 2013 KALUMBURU.	102.50
EFT120110	28/01/2014	GUERINONI & SONS	CONST.& SEALED CAR PARK - VARIOUS PATHS, KERB, CHANNELS, ETC - KNX	116,206.20
EFT120111	28/01/2014	JSW HOLDINGS PTY LTD	WATER FOR WATER TRUCKS AND AGGREGATE - VARIOUS KNX LOCATIONS	2,282.50
EFT120112	28/01/2014	JAB INDUSTRIES	PLANT HIRE - 2 SIDE TIPPERS - PRE CYCLONE CLEAN-UP KNX	25,095.40
EFT120113	28/01/2014	KIMBERLEY ECHO - ALBANY ADVERTISER	SWEK NEWS - DEC 2013	2,116.89
EFT120114	28/01/2014	KIMBERLEY VET CENTRE	MICRO CHIPPING AND MATERIALS FOR CATTERY - ANIMAL CONTROL	4,900.00
EFT120115	28/01/2014	KUNUNURRA SECURITY SERVICE	CALLOUTS - VARIOUS LOCATIONS	1,155.00
EFT120116	28/01/2014	L.G.R.C.E.U	PAYROLL DEDUCTIONS	19.40
EFT120117	28/01/2014	L3 COMMUNICATIONS AUSTRALIA PTY LTD	REPAIR L3 OPTEX ETD FAULT. LABOUR FOR DARWIN TECH - KNX AIRPORT	852.50
EFT120118	28/01/2014	LAPPY'S SERVICE CENTRE	SERVICE - P379	743.58
EFT120119	28/01/2014	MARTELL ROAD MAINTENANCE	ROAD REPAIRS, AGGREGATE, SPRAY SEAL - VARI. LOCATIONS -KNX	6,336.00
EFT120120	28/01/2014	MAXXIA	PAYROLL DEDUCTIONS	5,686.51
EFT120121	28/01/2014	OFFICE NATIONAL KUNUNURRA	6 REAMS A3 WHITE COPY PAPER -KNX ADMIN	101.70
EFT120122	28/01/2014	ORD VALLEY FENCING & PRESSURE CLEAN.	INSTALL SECURITY FENCING SULLAGE PITS - KNX LANDFILL	22,000.00
EFT120123	28/01/2014	PIVOTEL	SATELLITE PHONES COSTS - NOV 13	60.00
EFT120124	28/01/2014	SHELF SUPPLY	2 X BAG OF DRY DOG FOOD - KNX POUND	92.00
EFT120125	28/01/2014	SLINGAIR PTY LTD	FLIGHT TEST OF NEWLY INSTALLED AFRU+PAL UNITS - KNX AIRPORT	689.50
EFT120126	28/01/2014	SHIRE OF BROOME	REIMBURSE- FOOD AND BEV AT HALLS CREEK HOTEL -ZONE MEETING	365.55
EFT120127	28/01/2014	SHIRE OF WYNDHAM EAST KIMBERLEY	PAYROLL DEDUCTIONS	70.00
EFT120128	28/01/2014	ST JOHN AMBULANCE	SENIOR FIRST AID COURSE -INFRASTRUCTURE STAFF MEMBER	249.00
EFT120129	28/01/2014	STORE DJ	PORTABLE AUDIO AND LIGHTING EQUIPMENT -KNX YOUTH CENTRE	2,365.00
EFT120130	28/01/2014	TNT AUSTRALIA PTY LIMITED	FREIGHT - MALAGA - DEPOT KNX	114.72
EFT120131	28/01/2014	TOLL EXPRESS	FREIGHT - TELFORDS INDUSTRIES - POOL WYN	5,857.30
EFT120132	28/01/2014	TOLL IPEC PTY LTD	FREIGHT - TYCO FLOW - DEPOT WYN	200.81
EFT120133	28/01/2014	VANDERFIELD NORTHWEST PTY LTD	SERVICE -P120	332.04
EFT120134	28/01/2014	WA LOCAL GOVERNMENT SUPER	SUPERANNUATION CONTRIBUTIONS	31,716.20

EFT120135	28/01/2014	WALKABOUT SOUVENIRS	GIFT BOOKS FOR CITIZENSHIP CEREMONY - 5 DEC 2013	179.70
EFT120136	28/01/2014	WESTRAC EQUIPMENT PTY LTD	1 BUCKET FOR 950H LOADER, COUPLER, REPAIRS , FITTINGS AND LABOUR	41,839.63
EFT120137	28/01/2014	WYNDHAM EXCAVATIONS	REMOVE 2 DEAD TREES FROM VERGE ON DULVERTON STREET	1,595.00
EFT120138	28/01/2014	WYNDHAM PLUMBING & GAS PTY LTD	SEWER BLOCKAGE CLEARING AT PETER REID MEMORIAL HALL - WYN	187.00
EFT120139	28/01/2014	A & R WELDING FABRICATION	REPAIRS TO PONTOON JETTY - WYN	1,877.70
<b>TOTAL MUNI EFT PAYMENTS</b>				<b>3,166,672.10</b>

CHQ/EFT	DATE	NAME	DESCRIPTION	AMOUNT
42555	11/01/2014	AMP LIFE LTD	SUPERANNUATION CONTRIBUTIONS	1,213.98
42556	11/01/2014	ACTIVE NETWORK	CLASS PROGRAM - RENEWAL - 01/03/13-28/02/14 - LEISURE CENTRE KX	4,500.00
42557	11/01/2014	AUSTRALIAN SUPERANNUATION	SUPERANNUATION CONTRIBUTIONS	2,902.52
42558	11/01/2014	BT LIFETIME PERSONAL SUPER	SUPERANNUATION CONTRIBUTIONS	529.54
42559	11/01/2014	CR JOHN HAMILTON MOULDEN	MEMBERS PAYMENT 01/10/13-31/12/13	9,323.75
42560	11/01/2014	COLONIAL FIRST STATE	SUPERANNUATION CONTRIBUTIONS	53.56
42561	11/01/2014	CR BEAU ROBINSON	MEMBERS PAYMENT 01/10/13-31/12/13	2,815.02
42562	11/01/2014	CR DARREN SPACKMAN	MEMBERS PAYMENT 01/10/13-31/12/13	2,815.02
42563	11/01/2014	CR DON LEARBUCH	MEMBERS PAYMENT 01/10/13-31/12/13	3,625.00
42564	11/01/2014	CR KEITH WRIGHT	MEMBERS PAYMENT 01/10/13-31/12/13	2,815.02
42565	11/01/2014	CR RALPH ADDIS	MEMBERS PAYMENT 01/10/13-19/10/13	836.54
42566	11/01/2014	CR RAYMOND DESSERT	MEMBERS PAYMENT 01/10/13-31/12/13	4,731.40
42567	11/01/2014	DPMT PLANNING AND INFRASTRUCTURE	REGISTRATION - P483 - EXPIRES 05/01/14	24.50
42568	11/01/2014	HIF HEALTH INSURANCE FUND OF AUST	PAYROLL DEDUCTIONS	252.50
42569	11/01/2014	HOSTPLUS SUPERANNUATION FUND	SUPERANNUATION CONTRIBUTIONS	330.79
42570	11/01/2014	LOCAL GOVERNMENT SUPER	SUPERANNUATION CONTRIBUTIONS	2,381.24
42571	11/01/2014	MLC MASTERKEY PERSONAL SUPER	SUPERANNUATION CONTRIBUTIONS	1,267.31
42572	11/01/2014	MLC NOMINEES PTY LTD	SUPERANNUATION CONTRIBUTIONS	960.64
42573	11/01/2014	MARYANNE KELLY	MEMBERS PAYMENT 01/10/13-19/10/13 - MEETING FEES	836.54
42574	11/01/2014	REI SUPER	SUPERANNUATION CONTRIBUTIONS	700.58
42575	11/01/2014	REST SUPER	SUPERANNUATION CONTRIBUTIONS	415.32
42576	11/01/2014	SUNSUPER	SUPERANNUATION CONTRIBUTIONS	1,297.55
42577	11/01/2014	THE TRUSTEE FOR HEADING SUPER FUND	SUPERANNUATION CONTRIBUTIONS	1,460.15
42578	11/01/2014	UNISUPER	SUPERANNUATION CONTRIBUTIONS	296.12
42579	11/01/2014	VICSUPER	SUPERANNUATION CONTRIBUTIONS	354.66
42580	11/01/2014	VISION SUPER	SUPERANNUATION CONTRIBUTIONS	7,749.86

42581	11/01/2014	WESTSCHEME	SUPERANNUATION CONTRIBUTIONS	1,176.20
42582	11/01/2014	WATER CORPORATION SUPER. PLAN	SUPERANNUATION CONTRIBUTIONS	371.86
42583	15/01/2014	DAIMLER TRUCKS PERTH	NEW FUSO CANTER 815 FEB71GR4WFAC (CREW CAB) TIP TRUCK	66,792.00
42584	20/01/2014	WYNDHAM HISTORICAL SOCIETY INC	REP. TO DAMAGED VEHICLE FALLING THROUGH DRAIN ON FORESHORE RD	415.65
42585	20/01/2014	HORIZON POWER	ELEC - STREET LIGHTING PERIOD OF A/C: 1/12/13 - 31/12/13	99,044.03
42586	20/01/2014	TELSTRA	LANDLINE COST - NOV 2013 - SHIRE OFFICE KNX	10,427.88
42587	28/01/2014	AMP LIFE LTD	SUPERANNUATION CONTRIBUTIONS	80.25
42588	28/01/2014	ARGYLE ELECTRICAL SERVICES PTY LTD	WYN ADMIN OFFICE. SUPPLY REINSTALL LIGHTS , OVERRIDE SWITCH.	1,023.00
42589	28/01/2014	AUSTRALIAN SUPER	SUPERANNUATION CONTRIBUTIONS	354.17
42590	28/01/2014	AUSTRALIAN SUPERANNUATION	SUPERANNUATION CONTRIBUTIONS	1,562.46
42591	28/01/2014	BT LIFETIME PERSONAL SUPER	SUPERANNUATION CONTRIBUTIONS	276.14
42592	28/01/2014	COLONIAL FIRST STATE	SUPERANNUATION CONTRIBUTIONS	262.37
42593	28/01/2014	CONCEPT ONE THE INDUSTRY SUPER FUND	SUPERANNUATION CONTRIBUTIONS	134.12
42594	28/01/2014	DPMT PLANNING AND INFRASTRUCTURE	REGISTRATION - P113	283.80
42595	28/01/2014	HIF (HEALTH INSURANCE FUND OF AUST)	PAYROLL DEDUCTIONS	42.75
42596	28/01/2014	HOSTPLUS SUPERANNUATION FUND	SUPERANNUATION CONTRIBUTIONS	195.02
42597	28/01/2014	KIMBERCRUST BAKERY & LUNCH BAR	CATERING - FUNCTIONS	58.80
42598	28/01/2014	LOCAL GOVERNMENT SUPER	SUPERANNUATION CONTRIBUTIONS	1,135.20
42599	28/01/2014	MLC MASTERKEY PERSONAL SUPER	SUPERANNUATION CONTRIBUTIONS	619.52
42600	28/01/2014	MLC NOMINEES PTY LTD	SUPERANNUATION CONTRIBUTIONS	430.07
42601	28/01/2014	REI SUPER	SUPERANNUATION CONTRIBUTIONS	350.29
42602	28/01/2014	REST SUPER	SUPERANNUATION CONTRIBUTIONS	207.66
42603	28/01/2014	SUNSUPER	SUPERANNUATION CONTRIBUTIONS	799.57
42604	28/01/2014	TELSTRA	MOBILE PHONE DEC 2013 - MOBILE HARDWARE - ICT KNX	4,643.95
42605	28/01/2014	THE TRUSTEE FOR HEADING SUPER FUND	SUPERANNUATION CONTRIBUTIONS	425.12
42606	28/01/2014	UNISUPER	SUPERANNUATION CONTRIBUTIONS	148.06
42607	28/01/2014	VICSUPER	SUPERANNUATION CONTRIBUTIONS	125.35
42608	28/01/2014	VISION SUPER	SUPERANNUATION CONTRIBUTIONS	3,943.03
42609	28/01/2014	WESTSCHEME	SUPERANNUATION CONTRIBUTIONS	627.53
42610	28/01/2014	WATER CORPORATION	WATER - KNX CHILDCARE CENTRE PERIOD A/C: 1/1/14 - 28/2/14	185.09
42611	28/01/2014	WATER CORPORATION SUPER. PLAN	SUPERANNUATION CONTRIBUTIONS	188.29
			<b>TOTAL MUNI CHEQUE PAYMENTS</b>	<b>250,818.34</b>

CHQ/EFT	DATE	NAME	DESCRIPTION	AMOUNT
612	06/01/2014	SHIRE OF WYNDHAM EAST KIMBERLEY	BSL COMMISSION PAID TO SWEK JUL12-JUN13	795.79
613	06/01/2014	WA DEPARTMENT OF COMMERCE	BSL RETURN JUL12-JUN13	20,812.68
614	20/01/2014	CRANAPLUS	BOND REFUND HIRE OF YOUTH HUB JUL 13	250.00
615	20/01/2014	COLIN WILKINSON DEVELOPMENTS	KERB BOND REFUND BP 019/2013	500.00
616	20/01/2014	MARGARET KING	REFUND	150.00
617	28/01/2014	CR BEAU ROBINSON	REFUND - ELECTION NOMINATION DEPOSIT	80.00
618	28/01/2014	CR DARREN SPACKMAN	REFUND - ELECTION NOMINATION DEPOSIT	80.00
619	28/01/2014	CR GARY KING	REFUND - ELECTION NOMINATION DEPOSIT	80.00
620	28/01/2014	CR GLENN MATTHEW TAYLOR	REFUND - ELECTION NOMINATION DEPOSIT	80.00
621	28/01/2014	CR JACKIE MCCOY	REFUND - ELECTION NOMINATION DEPOSIT	80.00
622	28/01/2014	CR JANE PARKER	REFUND - ELECTION NOMINATION DEPOSIT	80.00
623	28/01/2014	CR KEITH WRIGHT	REFUND - ELECTION NOMINATION DEPOSIT	80.00
624	28/01/2014	CR SOPHIE ANN COOKE	REFUND - ELECTION NOMINATION DEPOSIT	80.00
625	28/01/2014	DEBBIE COOPER	BOND REFUND - PETER REID HALL	270.00
626	28/01/2014	GLEN HIGHETT	REFUND - ELECTION NOMINATION DEPOSIT	80.00
627	28/01/2014	JAMES CAMERON WALKER	REFUND OF FOOTPATH BOND - BP013/2013 RCT. 383408	500.00
628	28/01/2014	JO-ANNE ELLIS	REFUND - ELECTION NOMINATION DEPOSIT	80.00
629	28/01/2014	MARIA MORGAN	REFUND - ELECTION NOMINATION DEPOSIT	80.00
630	28/01/2014	SHIRE OF WYNDHAM EAST KIMBERLEY	ELEC. DEPOSIT CLAIM - UNSUCCESSFUL 3 XCANDIDATES	240.00
<b>TOTAL TRUST CHEQUE PAYMENTS</b>				<b>24,398.47</b>

CHQ/EFT	DATE	NAME	DESCRIPTION	AMOUNT
	8/01/2014	PAYROLL	PAYROLL	223,879.77
	9/01/2014	PAYROLL	PAYROLL	14,273.58
	9/01/2014	PAYROLL	PAYROLL	1,673.76
	22/01/2014	PAYROLL	PAYROLL	237,454.04
	24/01/2014	PAYROLL	PAYROLL	7,584.10
<b>TOTAL PAYROLL PAYMENTS</b>				<b>484,865.25</b>

CHQ/EFT	DATE	NAME	DESCRIPTION	AMOUNT
	2/01/2014	DIRECT DEBIT	LEASE COSTS - 11 KWINANA STREET WYNDHAM	1,441.00
	2/01/2014	DIRECT DEBIT	FEE - BPAY	114.95

7/01/2014	DIRECT DEBIT	LEASE COSTS - 9B PLUM COURT KUNUNURRA	1,380.50
7/01/2014	DIRECT DEBIT	MESSAGES ON HOLD	507.00
10/01/2014	DIRECT DEBIT	LEASE COSTS - 5 RATTLEPOD CLOSE KUNUNURRA	2,946.66
10/01/2014	DIRECT DEBIT	LEASE COSTS - 38 GARDENIA DRIVE KUNUNURRA	3,606.55
20/01/2014	DIRECT DEBIT	MASTERCARD PAYMENT	7,130.66
21/01/2014	DIRECT DEBIT	LEASE COSTS - 9B PLUM COURT KUNUNURRA	1,380.50
28/01/2014	DIRECT DEBIT	LEASE COSTS 17/33 KONKERBERRY DRIVE KUNUNURRA	2,253.33
28/01/2014	DIRECT DEBIT	LEASE COSTS - LOT 2433 (REAR) 60 COOLIBAH DRIVE KUNUNURRA	2,383.33
29/01/2014	DIRECT DEBIT	LEASE COSTS 16/33 KONKERBERRY DRIVE KUNUNURRA	2,253.33
31/01/2014	DIRECT DEBIT	BANK FEES	1,292.45
		<b>TOTAL DIRECT DEBIT PAYMENTS</b>	<b><u>26,690.26</u></b>

## 13.3 INFRASTRUCTURE

### 13.3.1 Drainage Easement Request – Victoria Highway to Borrow Pits Ivanhoe Road, Kununurra

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Victoria Highway to Borrow Pits Ivanhoe Road
<b>AUTHOR:</b>	Kevin Hannagan, Director Infrastructure Services
<b>REPORTING OFFICER:</b>	Kevin Hannagan, Director Infrastructure Services
<b>FILE NO:</b>	RD.07.14

#### **PURPOSE**

For Council on drainage from the Ivanhoe Road drainage system into Lilly Creek Lagoon and proposed requests to the Department of Regional Development and Lands for a drainage easement to be created over their land from Victoria Highway to Borrow Pits as outlined in Attachment 1 and possible further request after meeting with relevant authorities.

#### **BACKGROUND**

Councillors have recently been given a copy of the Kununurra Drainage Strategy developed by Shire Engineers last year.

The Ivanhoe Road drainage runs under the Victoria Highway down a drain into the former 'borrow pits' which allows the nutrients from the industrial area to settle. When the borrow pits fill they over top the bank and broad sheet flow across the landscape (further filtering the water) and eventually enters Lilly Creek Lagoon.

The Shire does not have an easement over any of the system from the Victoria Highway. In late 2013 Shire Officers finally gained Department of Water (owner of foreshore land but Management order for Shire Wyndham East Kimberley) and Regional Development and Lands (owner of land from Victoria Highway including borrow pits) approval to enter the site and clean out the drain from Victoria Highway to the Borrow Pits as marked in Attachment 1.

Shire Officers had been negotiating this approval for six (6) months and eventually gained approval before Christmas 2013 allowing the drain to be cleared prior to the wet season. Depot staff have reported a significant drainage improvement as a result of cleaning out the drain. It is proposed to seek Council approval to formally apply for a drainage easement over the 185m drain as marked in Attachment 1.

#### **STATUTORY IMPLICATIONS**

Nil

#### **POLICY IMPLICATIONS**

No policy implications apply in the preparation of this report.

## **FINANCIAL IMPLICATIONS**

Council has in its current budget the re-instatement of the first 185m of drain which an easement is requested as Stage 1. Any further Stage 2 works will need budgeting in future budgets.

## **STRATEGIC IMPLICATIONS**

The proposed actions in this report are consistent with the Kununurra Drainage Strategy as presented to Councillors Briefing in August 2013 and copy provided to the new Council in November 2013.

## **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

## **COMMENT**

It is proposed to request a Stage 1 drainage easement for the first 185m from Ivanhoe Road.

Any Stage 2 easement requests beyond the first 185m of drain will need discussion with the Department of Regional Development and Lands and Department of Water as to whether they would support such a request.

Furthermore the Shire should undertake a 'due diligence' on the borrow pits before requesting any management responsibility for them. The borrow pits have an unknown history of what they may contain, local information suggests that the borrow pits were a former quarry site and may have been used to dump / dispose of waste.

As such it is not recommended for the Shire to take responsibility for any potential future liabilities associated with the site.

The Shire will also need to consider that any 'bed and bank' permit application for works (such as lowering the pit wall height or installing a drain) is likely to be objected to by Water Corporation (flooding safety reasons) and refused by the landowner, Department of Water (environmental reasons e.g. hydrocarbons, sewerage, pesticides from industrial area).

It is acknowledged that by allowing the water to settle in the borrow pits acts as a natural filter.

From a flooding perspective Attachment 2 contains survey information of the area. It can be seen that the level at the Victoria Highway end is approximately 43.10 Australian Height Datum (AHD), the borrow pits bank approximately 43.1 to 43.4 AHD and the lake front approximately 41.4 AHD.

Advice from Water Corporation has been received that:

'Lake Kununurra Operational Full Supply Level is 41.78m AHD and over flow capacity when in Flood is 43.00m AHD considerably higher than Town AHD'.

The Shire needs to consider that in a flood event the lake could enter towards the town via a new drain (if the borrow pit bank level is reduced) as the levels are similar and flood pressures from the lake volume would exceed that from the town storm water which could also bank back up into the town.

## **ATTACHMENTS**

Attachment 1 – Proposed Drainage Easement Alignment

Attachment 2 – Survey Levels

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council:

- 1) Requests Regional development and Lands to create a drainage easement over the 185m of drain from Victoria Highway to the former Borrow Pits;
- 2) Requests Regional Development and Lands, Department of Water and Watercorp representatives to attend the 11 March 2014 Councillor Briefing Meeting to discuss future drainage options from the Borrow Pits to Lilly Creek Lagoon.

## **Motion**

Cr D Spackman moved that Council adopts the Officer's Recommendation with the addition of point "3. Notes that further negotiations with Regional Development and Lands, Department of Water, DPAW and the Water Corporation to extend the easement to Lilly Creek Lagoon along the best agreed alignment will take place."

## **COUNCIL DECISION**

**Minute No. 10313**

**Moved: Cr D Spackman**

**Seconded: Cr K Wright**

**That Council:**

- 1) **Requests Regional development and Lands to create a drainage easement over the 185m of drain from Victoria Highway to the former Borrow Pits;**
- 2) **Requests Regional Development and Lands, Department of Water and Watercorp representatives to attend the 11 March 2014 Councillor Briefing Meeting to discuss future drainage options from the Borrow Pits to Lilly Creek Lagoon.**
- 3) **Notes that further negotiations with Regional Development and Lands, Department of Water, DPAW and the Water Corporation to extend the easement to Lilly Creek Lagoon along the best agreed alignment will take place.**

**Carried 6/3**

**For: Cr J Moulden, Cr D Learbuch, Cr K Wright, Cr D Spackman, Cr S Cooke,  
Cr G King**

**Against: Cr B Robinson, Cr R Dessert, Cr G Taylor**

Attachment 1: Proposed Drainage Easement Alignment



The Shire of Wyndham East Kimberley does not warrant the accuracy of information in this publication and any person using or relying upon such information does so on the basis that DMS shall bear no responsibility or liability whatsoever for any errors, faults, defects or omissions in the information.

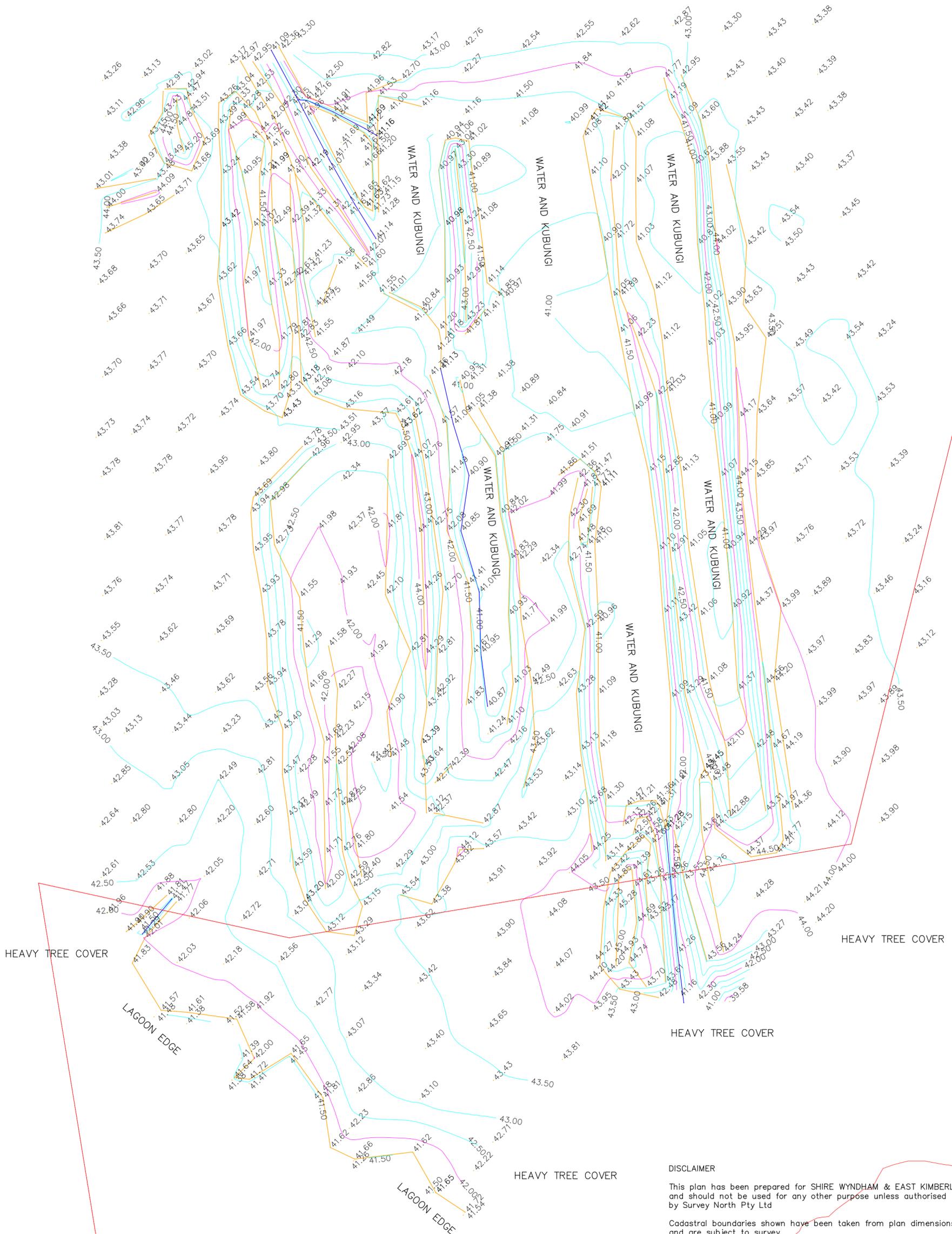
Ivanhoe Drain Vic Hwy  
to Borrow Pits

Tuesday, 3 December  
2013

1:4697



VICTORIA HWY.



DISCLAIMER

This plan has been prepared for SHIRE WYNNDHAM & EAST KIMBERLEY and should not be used for any other purpose unless authorised by Survey North Pty Ltd

Cadastral boundaries shown have been taken from plan dimensions and are subject to survey.

Only services visible at ground level are shown.

Prior to the commencement of any works, relevant authorities should be contacted for the location of underground services.

For clarity on hard copy some level information not shown refer to 3D digital file

Levels are based on AHD datum

This note is an integral part of this plan

SCALE:	1:1000	DATE DRAWN:	04/09/2013
V.DATUM:	AHD	DRAWN BY:	DC
H.DATUM:	MGA82	CHECKED BY:	NA
SURVEY DATE:	02/09/2013	ORIGINAL SHEET SIZE:	A2
SURVEYOR:	DC	PLAN NO:	50309DE-001a.pdf
JOB NO:	50309	SURVEY DATA FILE:	50309 130902
FILE:	50309DE-001a.dwg		

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CLIENT: SWEK

**FEATURE SURVEY**  
**LILY LAGOON DRAINAGE**  
**KUNUNURRA WA**

### 13.3.2 Kalumburu Road Funding Business Case

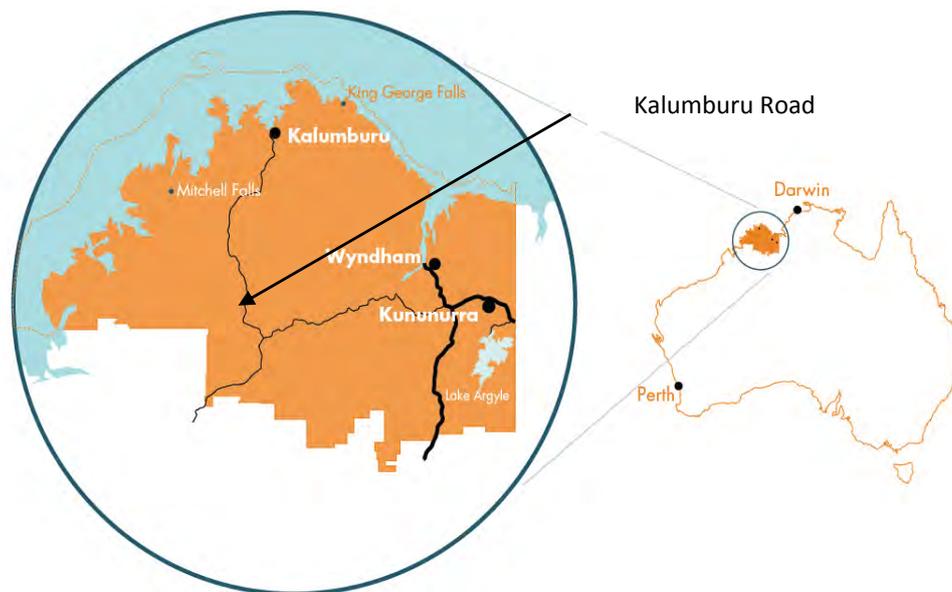
<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Kevin Hannagan, Director Infrastructure Services
<b>REPORTING OFFICER:</b>	Kevin Hannagan, Director Infrastructure Services
<b>FILE NO:</b>	RD.07.9

#### **PURPOSE**

For Council to consider the attached Business Case for forwarding to Main Roads WA.

#### **BACKGROUND**

The Kalumburu Road is in the Kimberley region in the far north of Western Australia, commencing at the Gibb River Road approximately 290km West of Kununurra and 415km East of Derby. The road travels northward from its beginning at the Gibb River Road junction, to the Aboriginal Community at Kalumburu, a distance of approximately 262km.



**Figure 1: Profile Map of the Shire of Wyndham East Kimberley**

The Shire of Wyndham East Kimberley is responsible for the road from its start at the Gibb River Road junction to a point 2.6km north of the Carson River, a length of 245km. The balance of the road passes over land vested in the Aboriginal Affairs Planning Authority and is the responsibility of the Kalumburu Aboriginal Community.

The road is unsealed over its full length with varying standards of construction ranging from fully formed and sheeted through to rocky track sections running over steep ridge country.

The Kalumburu Road provides access to significant tourism, pastoral and potential mining operations, as well as Aboriginal Communities.

The final destination of the road is the Kalumburu community, which is one of the largest, but most remote and isolated, Aboriginal communities in the State. The Road also provides access to Aboriginal communities at Kandiwal, Pago, Marunbabidi, Honeymoon Beach and McGowan Island.

Transport is seen as a major contributor to improving the quality of life, success of business and the efficiency of government operations in the region.

The purpose of this document is to provide a Business Case for the upgrading to a type 3 gravel formation road of the first 160.86km of the Kalumburu Road, from the junction of the Gibb River Road to the Port Warrender / Mitchell Plateau turnoff, for a cost of \$11,260,200 and a benefit cost ratio (BCR) of 2.30:1.

Upgrading of this first section of the Kalumburu Road will protect and enhance the benefits the road provides to its diverse user groups including Aboriginal communities, the regional tourism industry, pastoral leases serviced by the road, government agencies and potentially the mining industry. In particular, the proposed upgrade will improve access to the road during and after the wet season, as well as reducing the period of road closures. The preparation of this Business Case has identified widespread support by the various stakeholders.

### **STATUTORY IMPLICATIONS**

Nil

### **POLICY IMPLICATIONS**

No policy implications apply in the preparation of this report.

### **FINANCIAL IMPLICATIONS**

Council's Asset Management Plan has identified an Infrastructure Renewal gap under spend of approximately \$7.8m per annum. The Shire does not have the funding to upgrade the road or maintain it to a level expected by users due to the existing poor road base.

### **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

### **COMMENT**

The attached letter of 19 February 2013 from Main Roads WA advised the Shire 'to prepare a submission for the targeted improvement / upgrade of the road as capital works funding through State Initiative on Local Roads, to be delivered in stages over a defined period'.

The Shire has now completed a Business Case supporting funding for the upgrade of the Kalumburu Road. A draft copy of the report has been sent to the Regional Manager, Kimberley Region, Main Roads WA for comment, as the funding submission will need local regional support.

### **ATTACHMENTS**

Attachment 1 – Letter from Main Roads WA 19 February 2013, in response to previous Shire funding request

Attachment 2 – Business Case for upgrading the Kalumburu Road

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council:

- 1) Receives the attached Kalumburu Road Funding Business Case, and
- 2) Writes to Main Roads WA requesting consideration of funding for the upgrade of the Kalumburu Road in its 2014/15 budget process as per the attached.

## **OFFICER'S RECOMMENDATION**

**Minute No. 10314**

**Moved: Cr S Cooke**

**Seconded: Cr R Dessert**

**That Council:**

- 1) **Receives the attached Kalumburu Road Funding Business Case, and**
- 2) **Writes to Main Roads WA requesting consideration of funding for the upgrade of the Kalumburu Road in its 2014/15 budget process as per the attached.**

**Carried Unanimously 9/0**



Enquiries: L Powell  
Our Ref: 05/6593  
Your Ref: RD 09 23/0-13956

19 February 2013

Mr G Gaffney  
Chief Executive Officer  
Shire of Wyndham and East Kimberley  
PO Box 614  
KUNUNURRA WA 6743

Dear Gary

### **KALUMBURU SUBMISSION**

Minister Buswell referred your correspondence to MRWA for comment as a matter of course and I would expect that the Minister will reply to you in due course.

Based on our current understanding of the situation, our view is that:

- There is sufficient Aboriginal Access Road funding available to undertake the maintenance (currently \$129 000 MRWA and \$258 000 Federal Government for 2012/13).
- Funding sources are available to the Shire for works on the Kalumburu Road including Road Project Grants and Direct Grants

Instead of seeking an open-ended maintenance funding arrangement, we suggest SWEK prepares a submission for the targeted improvement / upgrading of the road as capital works funding through State Initiative on Local Roads, to be delivered in stages over a defined period. The Region is willing to provide technical input or review for any such submission.

If you require any further information please contact me on 9158 4301.

Yours faithfully

R F Scanlon  
REGIONAL MANAGER  
KIMBERLEY REGION

# BUSINESS CASE FOR UPGRADING THE KALUMBURU ROAD

Shire of Wyndham East Kimberley



January 2014

**PREPARED BY**  
CAMMS

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## I ACKNOWLEDGEMENTS

The following organisations are acknowledged for contributing information and analysis in the development of this Business Case:

- Department of Lands
- Department of Parks and Wildlife
- Main Roads Western Australia
- Tourism Western Australia
- Shire of Wyndham East Kimberley
- Kalumburu Aboriginal Corporation
- Drysdale River Station
- Tilt Tray Tow Operators and Vehicle Repair Operators located in Derby and Kununurra

## 2 BACKGROUND

The Kalumburu Road is in the Kimberley region in the far north of Western Australia, commencing at the Gibb River Road approximately 290km West of Kununurra and 415km East of Derby. The road travels northward from its beginning at the Gibb River Road junction, to the Aboriginal Community at Kalumburu, a distance of approximately 262km.

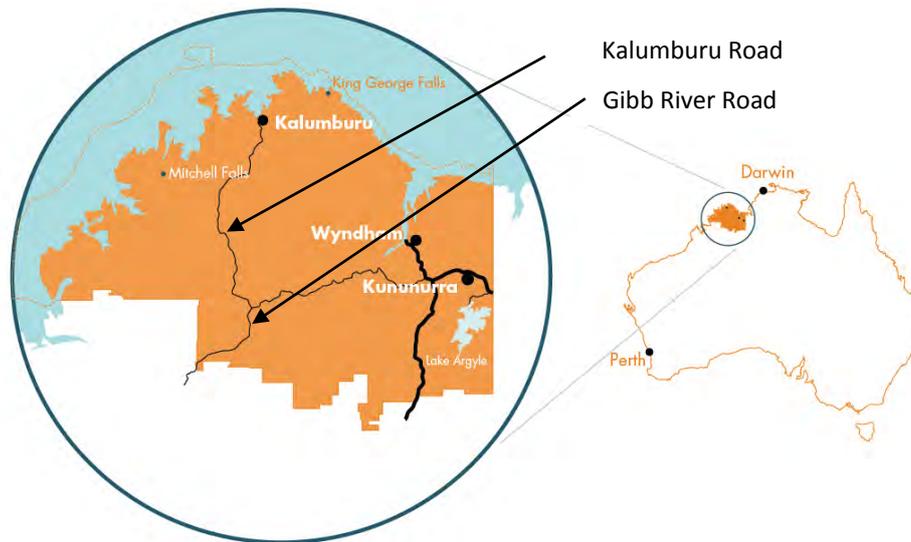


Figure 1: Profile Map of the Shire of Wyndham East Kimberley

The Shire of Wyndham East Kimberley is responsible for the road from its start at the Gibb River Road junction to a point 2.6km north of the Carson River, a length of 245km. The balance of the road passes over land vested in the Aboriginal Affairs Planning Authority and is the responsibility of the Kalumburu Aboriginal Community.

The road is unsealed over its full length with varying standards of construction ranging from fully formed and sheeted through to rocky track sections running over steep ridge country.

The Kalumburu Road provides access to significant tourism, pastoral and potential mining operations, as well as Aboriginal communities. The final destination of the road is the Kalumburu community, which is one of the largest, but most remote and isolated, Aboriginal communities in the State. The Road also provides access to Aboriginal communities at Kandiwal, Pago, Marunbabidi, Honeymoon Beach and McGowan Island.

Transport is seen as a major contributor to improving the quality of life, success of business and the efficiency of government operations in the region.

The purpose of this document is to provide a Business Case for the upgrading to a type 3 gravel formation road of the first 160.86km of the Kalumburu Road, from the junction of the Gibb River Road to the Port Warrender/Mitchell Plateau turnoff, for a cost of \$11,260,200 and a benefit cost ratio (BCR) of 2.30:1.

Upgrading of this first section of the Kalumburu Road will protect and enhance the benefits the road provides to its diverse user groups including Aboriginal communities, the regional tourism industry, pastoral leases serviced by the road, government agencies and potentially the mining industry. In particular, the proposed upgrade will improve access to the road during and after the wet season, as well as reducing the period of road closures. The preparation of this Business Case has identified widespread support by the various stakeholders.

## 3 STRATEGIC CONTEXT

### 3.1 Relevant Strategies

The upgrading of the Kalumburu Road aligns with a number of key Commonwealth, State, Regional and Local Government strategies which are outlined below.

#### 3.1.1 The Kimberley, Australia's National Landscapes Program 2011

Australia's National Landscapes Program is a tourism and conservation partnership managed by Tourism Australia and Parks Australia. The Program provides a framework to consider tourism infrastructure, conservation and marketing in a united way, encouraging collaboration and partnerships. It brings together the tourism industry and conservation sectors to improve environmental, social and economic outcomes for each landscape. The program aims to:

- Promote Australia's world class visitor experiences.
- Enhance the value of tourism to regional economies.
- Increase the role of protected areas in those economies.
- Build support for protecting our natural and cultural assets.

Kimberley attractions accessible via the Kalumburu Road that have been promoted under the program are:

1. Awe-inspiring Adventure Landscapes  
Four-wheel driving the Gibb River Road was highlighted as a key Kimberley attraction, as was the magnificent waterfalls of the Mitchell Plateau.
2. Rich Aboriginal Experiences  
The program promotes the ancient rock art in Drysdale National Park and on Mitchell Plateau.

### 3.1.2 Indigenous Economic Development Strategy 2011 – 2018

The aim of the Commonwealth's Indigenous Economic Development Strategy 2011 – 2018 is to support increased personal and economic wellbeing of Indigenous Australians through greater participation in the economy. Economic independence and security are necessary foundations for good health, functional families and successful communities. The Strategy sets out a long-term agenda for Indigenous economic participation that will guide government decision-making and program development through to 2018.

The Kalumburu Aboriginal Community is an isolated community of significant size in Western Australia. Access to the community is restricted by the condition of the Kalumburu Road. Upgrading the Road can be aligned to the Indigenous Economic Development Strategy under the following Priority.

- Priority 1:* Strengthening Foundations.  
*Objective 1.2:* Ensure infrastructure investments support economic development.  
*Strategy:* Improve essential infrastructure.  
*Action:* Work with state and territory governments to implement revised roles and responsibilities for funding and delivery of municipal and essential services and related infrastructure in remote communities, as committed to by the Council of Australian Governments under the National Partnership on Remote Indigenous Housing.

### 3.1.3 Roads 2030: Regional Strategies for Significant Local Government Roads – Kimberley

A development strategy for the Kalumburu Road has been included in Main Roads WA's *Roads 2030 Strategy for the Kimberley*. The importance of the route for the transport of cattle and the needs of the growing tourism industry in the North Kimberley/Mitchell Plateau regions have been cited as factors contributing to the need for development.

The Strategy notes that the high cost of transporting cattle out of the North Kimberley region by road can be attributed mostly to the condition of the Kalumburu Road causing damage to livestock through dust and road roughness, high vehicle maintenance costs and delays with road closures due to flooding.

The road development strategy is to improve access during and after the wet season to reduce periods of road closure. The development strategy proposes upgrading the road to a Type 3 gravel formation access road (unsealed).

### 3.1.4 Kimberley Science and Conservation Strategy 2011

A State government initiative, the Strategy recognises that the Kimberley is at a critical point in its development potential, including offshore oil and gas, the expansion of the Ord Irrigation Scheme and an expanding population (both visitors and residents). The strategy recognises this growth and has established plans to conserve the region's natural and cultural values.

A cornerstone of the plan is the creation of the Kimberley Wilderness Parks which includes the State's largest interconnected system of marine and terrestrial parks covering more than 3.5 million hectares.

Under this strategy, the State has committed an initial investment of \$9.6 million in nature-based tourism in the region. A total of \$63 million has been committed to 2015.

The strategy has four major themes:

1. Conserving the Kimberley's unique natural environment.
2. Employing and involving local Aboriginal people and maintaining the Kimberley's rich culture.
3. Increasing knowledge to support informed decision making, planning and management.
4. Providing opportunities for people to experience the Kimberley's natural and cultural wonders.

The fourth theme was the most pertinent to the Shire of Wyndham East Kimberley in the development of its *Tourism Plan 2020* as it relates to improving the range and amenity of eco-tourism options and promotion of new tourism experiences.

In the *Tourism Plan 2020*, the following strategies align to this theme, which are supported by the proposed upgrade of the Kalumburu Road:

- Upgrade camping, interpretive and other visitor facilities at national parks, including the Mitchell River National Park.
- Develop and promote tourism corridors across the region.
- Develop and promote self-drive journeys through the region, linking and interpreting sites of interest including 4WD expedition trails.

The Northern Kimberley incorporating Mitchell Plateau and Kalumburu was also identified in the Science and Conversation Strategy as a 'zone of opportunity' that shows maximum potential to increase visitor numbers and/or experiences.

### 3.1.5 State Government Strategy for Tourism in Western Australia 2020

Tourism WA's goal is to double the value of tourism in Western Australia from \$6 billion in 2010 to \$12 billion by 2020. The State Government Strategy for Tourism in Western Australia 2020 outlines how that goal can be achieved and sets the direction for WA's tourism industry over the next decade.

Seven strategic pillars have been identified to assist the achievement of the 2020 goal, two of which are supported by the proposed upgrade of the Kalumburu Road.

1. Regional Travel - Increase visitors to regional WA through the following strategies:

#### **Government**

- a. Tourism support infrastructure in regional WA.
- b. Australia's best regional events calendar.
- c. Improved caravan, camping and self-drive experiences.
- d. Extraordinary regional experiences, including nature-based, culinary and cruise shopping.

#### **Industry**

- a. Innovative regional events.
- b. Improved caravan and camping experiences through product and service uplift.
- c. Tactical promotion to support the Extraordinary regional experiences.
- d. The National Landscapes initiative (which includes the Kimberley region).

2. Indigenous Tourism – Provide every visitor with the opportunity to have an Aboriginal tourism experience through the following strategies:

#### **Government**

- a. Creation of a compelling point of difference for Aboriginal tourism to attract international visitors and the integration of Aboriginal tourism product within wider domestic tourism, further reinforcing the Experience Extraordinary brand.
- b. Facilitation and support opportunities for access to land and tenure for the development of tourism.
- c. Supporting industry in interfacing with government and maximising involvement in government tourism programs.
- d. Opportunities and pathways for Aboriginal employment in tourism and hospitality, including through traineeships and cadetships.

**Industry**

- a. Working collaboratively with others to facilitate tourism development including joint venture opportunities.
- b. Supporting the development of viable and sustainable Aboriginal tourism businesses and supporting accreditation for Aboriginal tourism businesses.
- c. Developing a program of cross-cultural training and awareness opportunities for both employees and employers.

### 3.1.6 Kimberley Regional Group Strategic Community Plan 2012 – 2021

The Kimberley Regional Group Strategic Community Plan is the primary strategic document in the Regional Planning Framework for the Kimberley. The Plan acts as the primary driver for regional collaboration initiatives by the member Kimberley Shires (Wyndham East Kimberley, Derby West Kimberley, Broome and Halls Creek).

The Plan can be strategically linked to the proposed upgrade of the Kalumburu Road under Goal 5: *A sustainable and diverse economy*.

The related Outcome and Strategy is outlined below.

- Outcome 5.3: A highly valued Kimberley product through the development of a sustainable market and tourism experience supported by the region's assets (human, environment and built).
- Strategy 5.3.1: Promote tourism opportunities at a regional level.

### 3.1.7 Kimberley Science and Conservation Strategy: Kalumburu Pre-Feasibility Study 2012

The Kalumburu Pre-Feasibility Study involved a tourism demand and accommodation assessment being undertaken at five identified sites around Kalumburu and the Kalumburu Road. Sites assessed included:

- Longini (approx. 7km north of Kalumburu).
- Pago: Site 1 (approx. 25km north of Kalumburu), Site 2 (approx. 2km north of Site 1).
- Carson River Homestead (approx. 33km south east of Kalumburu).
- Drysdale River National Park (approx. 24km south east of Carson River Station).
- Kalumburu Community site.

Importantly, the Drysdale River National Park was not considered suitable for tourism development at the time of the project given the accessibility issues surrounding the Kalumburu Road. The site was, however, highlighted as having future potential for a true eco-tourism venture due to its significant conservation values. With improved road access, Drysdale River National Park may offer significant tourism value for the Kimberley local economy.

The Kalumburu site was also targeted for future tourism development.

### 3.1.8 Australia's North West, Tourism Development Priorities 2010 – 2015

As a result of the fragmented, remote and seasonal nature of the tourism industry, government recognises that it has a significant role in destination development specifically in creating a favourable environment for tourism development through infrastructure investment.

Tourism Western Australia's document identifies 11 key priorities, four of which will have a direct impact in increasing road infrastructure requirements for the Kalumburu Road, outlined below.

*Recommendation 2:* Facilitate the development of accommodation in national conservation parks and on pastoral stations. This includes the Mitchell River National Park.

*Recommendation 3:* Preserve and maintain the Gibb River Road. Increased traffic on the Gibb River Road is likely to lead to higher volumes on the Kalumburu Road.

*Recommendation 5:* Improve the reliability and safety of access to key natural attractions accessible via the Great Northern Highway. Includes upgrading of the Kalumburu Road.

*Recommendation 7:* Improve and expand visitor amenities along major tourism routes. Includes amenities along the Gibb River Road and dump facilities in all major towns in the region.

### 3.1.9 Shire of Wyndham East Kimberley Strategic Community Plan 2012 – 2022

The Shire's Strategic Community Plan has two strategic linkages to the upgrading of the Kalumburu Road, both under Goal 2: *Greater returns from regional investment to ensure sustainable provision of appropriate physical and social infrastructure.*

The related Objectives and Strategies are outlined below.

- Objective 2.2: Maintenance of economic diversity and greater community returns from investment in the region.
  - Strategy 2.2.4: Enhance and expand tourism opportunities in the East Kimberley and improve access to significant tourism destinations.
- Objective 2.3: Assets are appropriate for their intended purpose and factor in whole of life costing and maintenance.
  - Strategy 2.3.1: Manage and maintain assets in a strategic and cost effective manner.

To achieve these Objectives it is imperative that tourism supporting infrastructure assets, including roads, are maintained to suitable standards so as facilitate and encourage tourism in the region. The Kalumburu Road is an important tourism route in the Northern Kimberley and the proposed upgrade will support tourism growth in the region.

### 3.1.10 Shire of Wyndham East Kimberley Tourism Plan 2022

The Shire of Wyndham East Kimberley Tourism Plan 2022 will guide the sustainable regional growth of tourism in the Shire to 2022.

The second of four strategic objectives identified in the Plan, "Improving Access", identifies the Kalumburu Road as requiring "...regular (and costly) maintenance and grading", and that "Improving road conditions to ensure greater consistency will encourage higher visitation."

As part of this Plan, a current inventory of tourism related infrastructure, products and services within the Shire was undertaken. The following sites were identified as providing potential tourism value in the Shire, each being accessible via the Kalumburu Road.

Location	Access	Accommodation	Attractions	Activities	Amenities
Drysdale River Station	- 4WD Kalumburu Rd - Airstrip	Homestead Campsite <sup>1</sup>	Working station, scenic flights, pastoral history	Bar, bush restaurant	Hot / cold showers, flushing toilets, laundry, fuel, general store
Punamii-unpuu (Mitchell Falls) Camping Area	4WD Port Warrender Rd (off Kalumburu Rd)	Dedicated camping area (managed by DEC)	Mitchell Falls	Walk trails to Falls, swimming holes, helicopter tours	Shade, toilets, drinking water, dedicated firewood collection area
APT Mitchell Falls / Wilderness Lodge	4WD Port Warrender Rd (off Kalumburu Rd)	24 Safari Tents	Mitchell Falls	Walk trails to Falls, swimming holes, helicopter tours	Restaurant
Outback Spirit / Ngauwudu Safari Camp	4WD Port Warrender Rd (off Kalumburu Rd)	14 Safari Suites	Mitchell Falls	Walk trails to Falls, swimming holes, helicopter tours	Restaurant
Mitchell Plateau	- 4WD Port Warrender Road (off Kalumburu Rd) - Airstrip	-	Mitchell Falls, unique vegetation (livistonia palms), scenic drive	Walk trails to Falls, swimming holes, helicopter tours	Hybrid toilets (at Falls), ablutions at airstrip, no rubbish disposal at Mitchell Falls
Kalumburu	- 4WD Kalumburu Rd - Airstrip	Paid camping (Mission, Honeymoon, McGowan), dongas, guesthouse, free camping at nearby coastal locations	River, museum, Old Mission relics, art centre, bush landscape, Teacher's Pool	Fishing, artists at work	General store, fuel, fresh water, pay phones, waste disposal facilities
Longini Landing	Track from Kalumburu	Free camping area	-	Riverbank access	-
Pago	Track from Kalumburu	Free camping area	Pago Mission ruins	Fishing, rock art sites	-
Honeymoon Bay	Track from Kalumburu	Paid camping	-	Beach access, fishing	Toilets, showers, waste disposal
McGowan Island	Track from Kalumburu	Paid camping	-	Beach access, fishing	Toilets, showers, waste disposal, fuel
Carson River Station	Track from Kalumburu	Homestead, camping	-	River Access	Water

**Table 1: Tourism Sites Accessible via the Kalumburu Road**

The Plan identifies the access road to these attractions (the Kalumburu Road) as a gap in tourism infrastructure.

<sup>1</sup> Accommodation has recently been upgraded to include Cabins and Tented Cabin accommodation.

The Kalumburu area in particular has been highlighted for future tourism development, with a recommended concept being to develop mid-range quality tented accommodation with private facilities that are serviced by a Visitor Information and Business Centre; a kitchen with café style dining that prepares meals throughout the day; and a north Kimberley base for DEC where Business Centre facilities are shared.

The Visitor Information Centre is specifically targeted to meet the needs of visitors, to provide information about the region, to sell tour products and therefore attract more people to the area and keep them there longer.

There is also a significant opportunity to increase land tour operators to Kalumburu if adequate amenities and activities can be demonstrated. Achieving this objective will necessarily require adequate road transport infrastructure providing access to the region.

## 4 STAKEHOLDER ANALYSIS

### 4.1 Key Stakeholders

The Kalumburu Road services a number of stakeholders and activities in the North West Kimberley. Major stakeholder groups are Aboriginal communities, pastoralists, tourism operators, mining companies and government agencies.

Consultation previously undertaken by the Shire of Wyndham East Kimberley and in the preparation of the Kimberley Science and Conservation Strategy and this Business Case, demonstrates that the major stakeholders are concerned by the lack of services, facilities and economic development opportunities caused by a poor transport system for the North West region of the Shire.

Specific complaints relate to excessive vehicle damage, slow speeds, high transport costs and the period of road closure. Extra costs are being incurred by stakeholders in transport which could be better used for their communities, businesses and government departments.

Consequently, major stakeholders are unanimous in their support for upgrading the Kalumburu Road.

Of significance also, is the identification of the Kalumburu Road by the Indigenous Roads Committee (includes representatives from Western Australian Local Government Association, Main Roads Western Australia and the Department of Aboriginal Affairs), as the number one priority road for the State in relation to improvement of Local Government access roads to remote Aboriginal Communities as part of its Special Project Funding program.

The following section provides analyses of the key stakeholder groups and their needs in relation to the Kalumburu Road.

#### 4.1.1 Aboriginal Communities

There are a number of Aboriginal communities in the area, the most prominent being Kalumburu (405 people<sup>2</sup>), McGowan Island (50 people<sup>3</sup>) and Kandiwal (40 people<sup>4</sup>). There are also smaller communities at Pago (20 people), Marunbabidi (14 people) and Honeymoon Beach (10 people).<sup>5</sup>

Kalumburu is one of Western Australia's most remote and isolated Aboriginal communities, and is the final destination along the Kalumburu Road. As well as the Indigenous population, Kalumburu is home to around 65 non-Indigenous people who are employed at various facilities including the school, health clinic, Mission, community store and Kalumburu Aboriginal Corporation.

<sup>2</sup> Australian Bureau of Statistics Census 2011.

<sup>3</sup> Local Government Advisory Board 2008, Report on the Inquiry into Local Government Service Delivery to Indigenous Communities.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

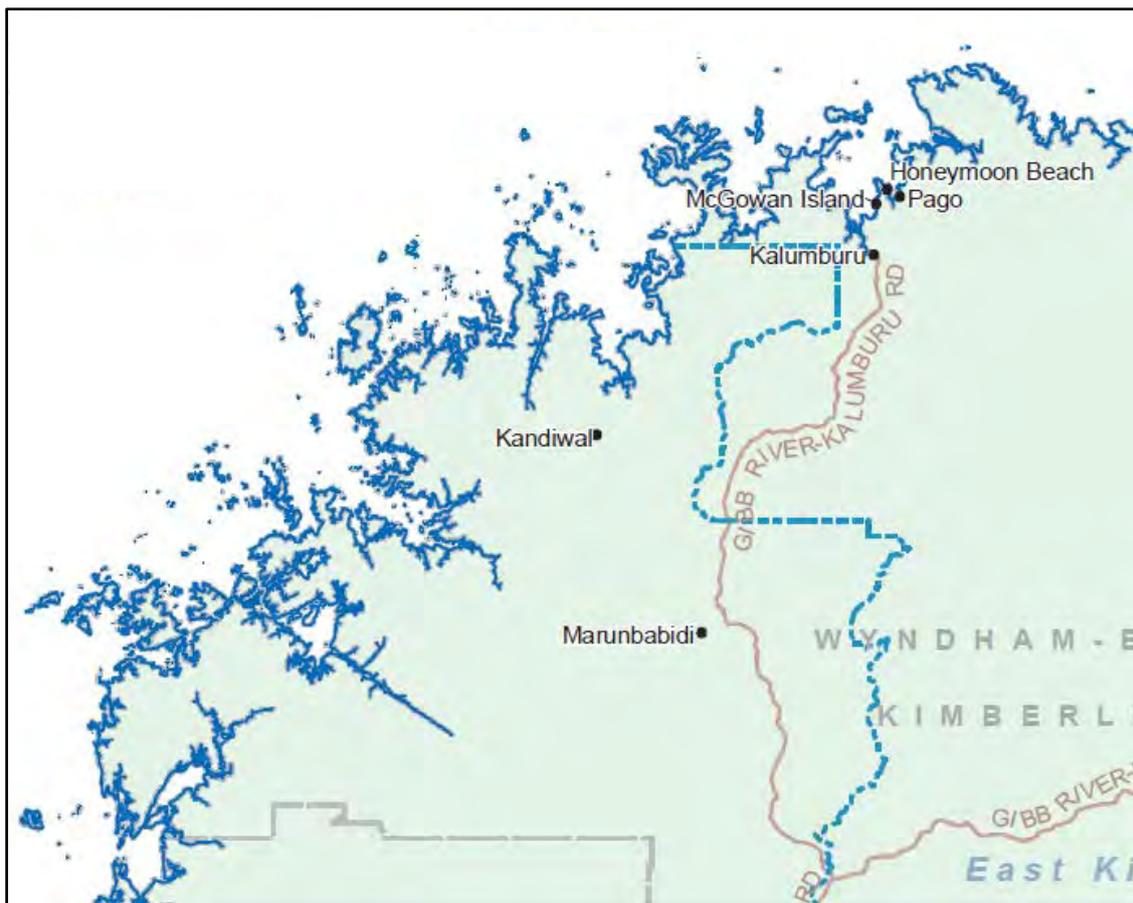
It is anticipated that the Kalumburu community will achieve a steady increase in population as services and facilities are consolidated in the community.<sup>6</sup>

The Kalumburu Road is the only access road to the Aboriginal community and is vital in supplying infrastructure to the community, including building and construction materials.

Kandiwal is situated on the Mitchell Plateau and is close to Mitchell Falls. The local Aboriginal community has been in negotiations with the State Government and mining companies to control the effects of mining and tourism ventures on their traditional country.

Marunbabidi, 600km north east of Derby, sits on a permanent water hole on the King Edward River. With the closure of the Kalumburu Road in the wet season, access to the community is restricted. Some people do, however, stay in the community through the wet. It is also the site of a cultural tourism enterprise run by the Traditional Owners known as the Bush University.

Figure 2 below illustrates the location of these Aboriginal communities in relation to the Kalumburu Road.



**Figure 2: Aboriginal Communities Accessible via Kalumburu Road**

<sup>6</sup> Kalumburu Aboriginal Corporation 2011, Community Layout Plan Background Report.

### 4.1.2 Pastoral Stations

There are five large (approximately one million acres each) pastoral leases that are serviced by the Kalumburu Road, four directly and the fifth partially, as follows:

- Drysdale River Station
- Doongan Station
- Theda Station
- Carson River Station
- Gibb River Station (indirectly serviced)

The Gibb River Station homestead is serviced by the Gibb River Road. The initial part of the Kalumburu Road passes through the station's lease and is used by station staff to access those areas.

The stations graze cattle in accordance with the requirements of their State Government leases, with Drysdale River Station also operating tourism services. Each operates its own airfield and is serviced by a regular Australia Post mail run and freight services.

During the wet season, access is effectively limited to services available by air. During the dry season, the Kalumburu Road provides stations with the ability to freely move to and from both Kununurra and Derby and further afield. Stock is mustered and transported for sale and whilst providing for day to day provisioning of the stations, the road also importantly caters for the significant provisioning for the following wet season.

Heavy vehicle access to and from the stations is extremely important in maintaining the viability of these operations. Very heavy vehicles also transport buildings and building construction materials to Kalumburu. Following a prolonged wet season, opening the road quickly to supply trucks can be critical, as bulk items such as fuel can only be supplied to the stations by road.

The high cost of transporting cattle out of the North Kimberley region by road is attributed mostly to the condition of the Kalumburu Road and the vehicle road limits that apply. Damage to livestock through dust and road roughness, high vehicle maintenance costs and delays with road closures due to flooding are the major concerns relating to the road.

It is clear that pastoral industry in the area is reliant upon a quality transport system.

### 4.1.3 Tourism

The tourism industry is a significant contributor to economic activity in the North West region of the Shire of Wyndham East Kimberley. The industry is growing, with increasing numbers of tourists visiting Mitchell Plateau and other natural attractions in the area.

Pastoral stations such as Drysdale Station have ventured into tourism by providing accommodation, scenic flights, bar and restaurant services and other amenities to capture the increasing tourism market and increase the economic return from the land.

Other tourist attractions include scenic tours on the Carson River, camping at the McGowan Island Camping Ground, King Edward River Campground and Munurru Campground as well as fishing at Kalumburu.

The region offers options for camping, tented and cabin accommodation at Drysdale River Station (with APT and Outback Spirit tours also using the tourism operations). Drysdale is considered a 'staging post' for exploring more remote areas further north. Basic camping is available at Munurru (an area licenced by the Kandiwal community and managed under joint arrangement with DEC) on the banks of the King Edward River, and Kalumburu has campgrounds at the Kalumburu Mission, Honeymoon Bay and McGowan Island. Near Kandiwal Community, a one hour's drive from Mitchell Falls National Park, there are two tented camp accommodation options (Ngauwudu Camp – a luxury 'safari' tented camp recently opened by Outback Spirit, and Mitchell Falls Wilderness Camp operated by APT).

Under the Shire of Wyndham East Kimberley Tourism Plan, the area is being promoted more widely as a tourism destination. Consequently, tourism now plays a significant role in traffic use on the Kalumburu Road. A recent traffic count returned an Annual Average Daily Traffic (AADT) of 158 vehicles (June 2012), with many of these vehicles towing camper trailers.

Access to the Mitchell Plateau is via the Port Warrender turnoff (onto the Port Warrender Road) on the Kalumburu Road, approximately 160km north of the junction with the Gibb River Road. This is the only route for tourists to reach the Mitchell Plateau area.

The influx of tourists also provides opportunities for the Aboriginal communities in the region to share their culture with visitors from other areas of Australia and overseas, offering the potential for income and growth in communities where employment opportunities are limited.

Accessibility to the various tourist attractions off the Kalumburu Road is significantly impacted by its condition.

Recreational and tourist traffic needs to be able to travel along the Kalumburu Road in relative safety, the main requirement being a good running surface.

Upgrading the road will assist in meeting the growing needs of the tourism industry in the North Kimberley and Mitchell Plateau regions.

#### 4.1.4 Government Services

The Kalumburu Road is essential to enable the provision of a range of government funded essential services to the Indigenous communities of Kalumburu, McGowan Island, Kandiwal, Pago, Marunbabidi and Honeymoon Beach. Such services include power, water, sewerage, waste and emergency response.

Health, education and child protection officers make regular visits to the Kalumburu community, often relying on the Kalumburu Road for access, given the cost prohibitive nature of charter flights. This also applies to a range of Commonwealth officers delivering employment, social and health programs.

The Kalumburu Road also provides access for Department of Parks and Wildlife rangers to the Drysdale River National Park and the Mitchell River National Park.

The Shire of Wyndham East Kimberley is a stakeholder for the Road given its role in maintenance of the first 245km and management of access during the wet season.

#### 4.1.5 Mining

The areas accessible via the Kalumburu Road hold mineral reserves that have historically been of interest to mining companies.

Rio Tinto and Alcoa's bauxite deposit is located 115km south west of Kalumburu, near Mitchell Plateau. Together, Rio Tinto and Alcoa have applied for a two to three year extension of the State Agreement over the bauxite deposit. It is doubtful, however, whether mining of the resource will go ahead, with the State government indicating that the site's remote location and lack of viability in its current state potentially meaning the resource could be handed back to tax payers in the future.<sup>7</sup>

These mining companies currently make a contribution to maintenance of the Kalumburu Road through mining tenement rates. If mining operations were to proceed, this would result in an additional revenue stream for the Shire, as well as the State and Commonwealth governments. It should be noted that there would also be an impact on traffic flows and the accompanying pressure on road infrastructure would be significant.

<sup>7</sup> Heber, A 2012, *AMEC Calls for Clearer Development Plans in WA's Kimberley*, Australian Mining, <[www.miningaustralia.com.au](http://www.miningaustralia.com.au)>.

## 4.2 Stakeholder Objectives

The strategic transport objectives for upgrading the Kalumburu Road identified from the stakeholder analysis are outlined below:

- Improved access for community, pastoral, tourism, mining and government agency activities.
- Improved road speed and reliability.
- Fewer vehicle crashes and reduction in vehicle damage/maintenance costs.
- Lower freight and other transportation costs.
- Improved traffic safety.
- Reduced periods of road closure during the wet season.
- Reduced incidence of road damage from traffic movement and flooding.
- Improved emergency response.

## 5 PLANNING CONTEXT

### 5.1 Description

The Kalumburu Road is in the Kimberley region in the far north of Western Australia, commencing at the Gibb River Road approximately 290km West of Kununurra and 415km East of Derby. The road travels northward from its beginning to the Aboriginal community at Kalumburu, a distance of approximately 262km (refer Figure 3 below).

The Shire of Wyndham East Kimberley is responsible for the road from its start to a point 2.6km north of the Carson River, a length of 245km. The balance of the road passes over land vested in the Aboriginal Affairs Planning Authority and is the responsibility of the Kalumburu Aboriginal Community.

The Kimberley region is characterised by its tropical monsoon climate, receiving approximately 90 per cent of its rainfall during the wet season which usually runs between November and April. During this time, cyclones are common and the rivers flood. The annual rainfall is highest in the North West Kimberley where Kalumburu and the Mitchell Plateau average 1,270mm per annum.

Over its length, three significant rivers (the Gibb, the Drysdale and the Carson) are crossed, all of which are impassable in the wet season. Access to the beginning of the road is also limited by rivers on the Gibb River Road (Pentecost and Durack Rivers), and as a result the road is closed annually when the wet season arrives and is not open again until the rivers are low enough to cross and the most heavily affected areas repaired/re-constructed and opening-up grade undertaken.



The road also crosses 82 medium and minor waterways as it travels northward, with the number of crossings changing regularly in the northern portion of the road due to the dynamic nature of the waterways and the significant volumes of water throughout the wet season. The crossing point in the adjacent photograph did not exist prior to the 2011 wet season and demonstrates well the issues of water on this road. The road has a small number of jump ups on the northern 150km that present difficulties to heavy vehicles in relation to traction that limit the

serviceability of the northern section in relation to both construction traffic and delivery of supplies to some user groups, in particular the Kalumburu Community.

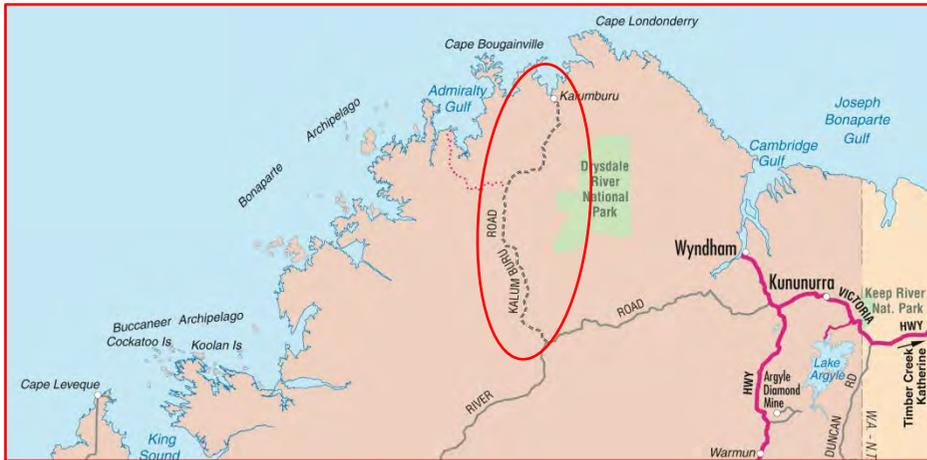
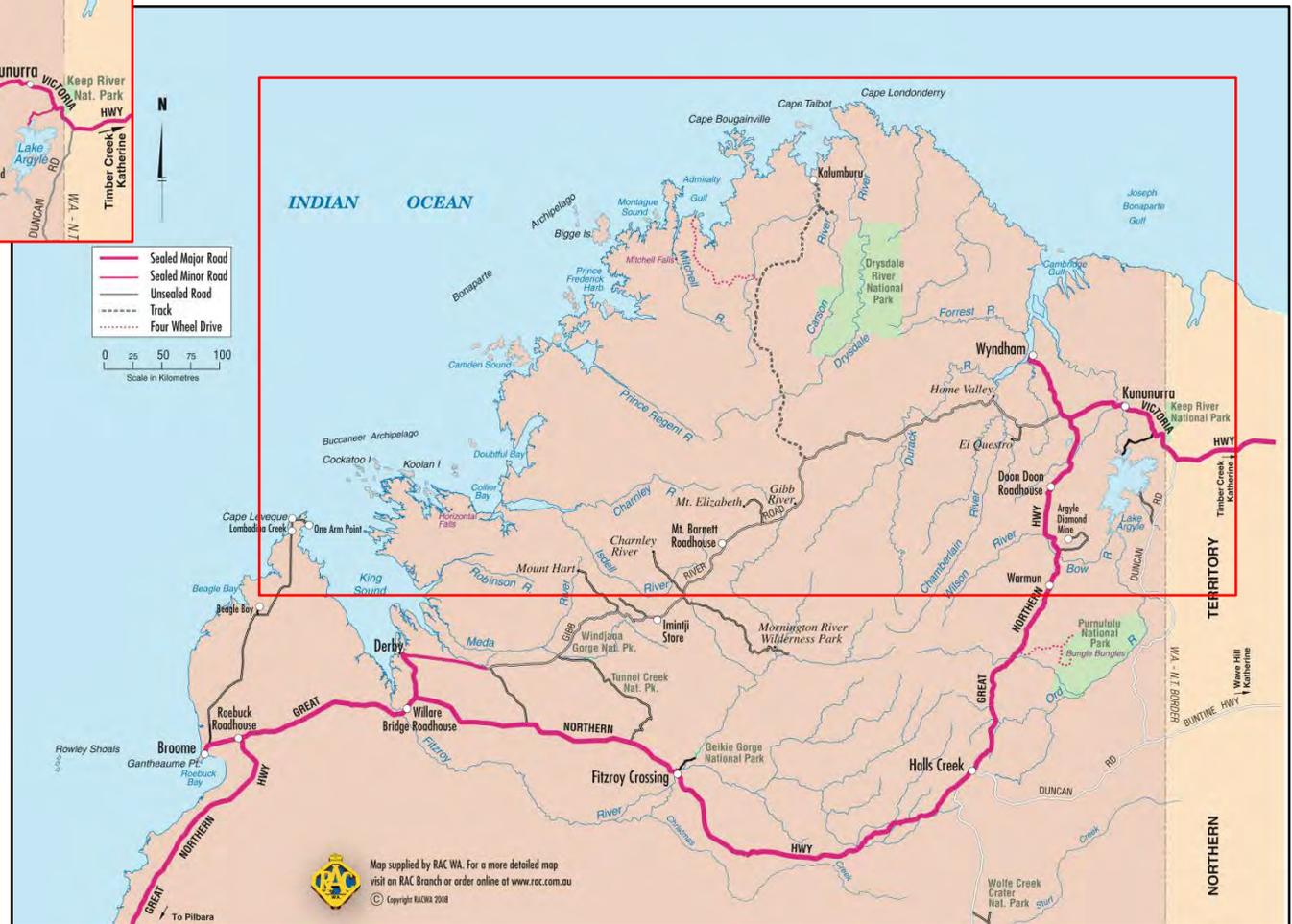


Figure 3: Kalumburu Road Location Map



## 5.2 Native Title

Advice from the Department of Lands indicates that the majority of the Kalumburu Road is within the Wanjina-Wunggurr Wilinggin Native Title Determination No 1 area.

Under an associated decision of the determination ([2003] FCA 1402 (8 December 2003)), paragraph 620 states “...The applicants accept that the Gibb River and Kalumburu Roads extinguished native title” (recognised as a category B past act). The road was subsequently excluded from the determination area (Schedule 2 [2004] FCA 1090 (27 August 2004)). Appendix A shows a map of the determination area depicting the road – the turn-off to the Mitchell Plateau is located just north of the last ‘u’ in the word “Kalumburu” Road.

The Department of Regional Development and Lands is currently undertaking the gazettal of a Road easement.

## 5.3 Transport Network

The current transport network for the area serviced by the Kalumburu Road is comprised of road, air and barge options.

During the dry season, road transport predominates, especially for personal travel between communities, tourism, freight and government services.

During the wet season all the Aboriginal communities’ transport needs are provided by barge and airplane. The communities and their relatives from other localities take advantage of the freedom of movement provided by the Kalumburu Road and are dependent on appropriate road maintenance regimes to open the road as soon as possible after the cessation of the wet season. Individuals within the communities can come and go at will, at a much reduced cost once the road is open.

Kalumburu is serviced by a barge from Darwin via Marra Garra Beach, approximately 26km north of the community. The barge operates fortnightly over the whole year, weather permitting. There are also small craft boat ramps at McGowan Island and Honeymoon Bay.

The airstrips in the region provide varying facilities. The airstrips at Drysdale River Station, Theda Station and Mitchell Plateau are all unsealed. Kalumburu is serviced by a sealed, all-weather airstrip with night landing facilities. Flight time by light aircraft is approximately one and a half hours from Kununurra or Wyndham.

Although air and barge services provide alternative transport options, these are expensive methods which can be cost prohibitive for local residents and tourists alike.

The Kalumbruru Road is still integral to transport and industry in the region, and is considered a vital piece of infrastructure for the North Kimberley.<sup>8</sup> For example, after extensive damage to the road in the 2011 wet season, pastoral manager for Doongan Station, Susan Bradley, said the road was the worst it's ever been. "It's a disaster, because in a way, we're being denied our livelihood because of the state of the road," she said. "There'll be no road-trains, no trucks, not even our fuel truck can get up here, so even if work was able to start within the next month, I can't see any access for our business of pastoralism being able to be carried out this season."<sup>9</sup> The extended road closure left Aboriginal communities isolated, tourism destinations closed and pastoralists in limbo.

## 5.4 Road Conditions

### 5.4.1 General Road Standard

The Kalumburu Road is unsealed over its full length with varying standards of construction ranging from fully formed and sheeted through to rocky track sections running over steep ridge country.

Historically, the road has been broken into four sections, related to user groups and traffic volumes:

- |   |                      |
|---|----------------------|
| 1. Gibb River Road junction to Drysdale River                     | SLK 0.0 to 59.0      |
| 2. Drysdale River to Port Warrender Turnoff (to Mitchell Plateau) | SLK 59.0 to 160.86   |
| 3. Port Warrender Turnoff to Carson River Homestead               | SLK 160.86 to 246.23 |
| 4. Carson River Homestead to Kalumburu Community                  | SLK 246.23 to 265.10 |

Of the four sections, none are suitable for two-wheel drive vehicles, caravans, boat trailers and a significant portion of the available camper trailers over the entire dry season.

Over recent years a progressive program of formation sheeting and drainage has been implemented at various locations along the Kalumburu Road. These newer works have provided an improved road but at the same time have also increased the maintenance grading requirements and hence maintenance costs. Whilst the works have been commendable they provide a formation width that is not sustainable in the long term.

<sup>8</sup> Brann, M 2011, *Damage to Kalumburu Road Leaves Tourism, Pastoralism and Communities in Limbo*, ABC Rural, <<http://www.abc.net.au/site-archive/rural/content/2011/s3233024.htm>>.

<sup>9</sup> Ibid.

A condition assessment survey of the entire length of the Kalumburu Road by the Shire of Wyndham East Kimberley during the 2013 dry season determined that, in summary, 95% of the road was in a Poor to Very Poor condition, based on the following Main Roads WA criteria<sup>10</sup>:

**Poor:**

The road has adequate lane widths but poor overtaking opportunities and/or inadequate sight distances. Several improvements are recommended.

Drainage is poor with flooding in severe seasonal weather.

**Very Poor** (any one of the items below):

The road has any one of the following deficiencies:

- Inadequate lane widths.
- No safe overtaking opportunities.
- Unsafe sight distances and very poor geometry.
- The road is considered unsafe for accommodation of the additional commodity traffic and requires substantial upgrade.
- Road is subject to regular flooding.

In July 2012, the proprietor of Drysdale Station, Anne Koeyers, conducted a survey of travellers on the Kalumburu Road to highlight the poor to very poor condition. The survey attracted 560 respondents over 13 days. Appendix B provides scanned pages of the survey forms with comments.

It should be noted that of the 50 respondents who were asked ‘will you feel the need to warn people about the state of the road?’, 98% answered yes. Given that tourist travellers actively communicate through social media, this clearly illustrates the potential negative impact on tourist numbers choosing to travel along the Kalumburu Road.

Ms. Koeyers also reported that during the preceding dry season, it was taking trucks over 5 hours to traverse the first 58km of the Kalumburu Road from the Gibb River Road junction to Drysdale Station.

<sup>10</sup> Main Roads WA 2012, Commodity Routes Supplementary Fund Application and Assessment Guidelines.

## 5.4.2 Existing Road Formations, Pavements and Drainage

The Kalumburu Road consists of a number of different formation styles over the Shire managed 245km. From the Gibb River Road for a distance of 97km, just short of the Doongan Station entrance, the road is fully formed and sheeted with table drains each side and off-shoot drains carrying water to adjacent land. The formation width from the outer edges of table drains varies from wide to very wide. Pavement width is also very wide, at times in the order of 15 metres. It is not clear whether this width is as a result of long term maintenance grading or a feature of construction.

Road alignment is generally satisfactory with sufficient sight distance over the majority of this length. It is extremely doubtful the section was constructed using appropriate geometric design standard and if it had been, those design features have long since been lost to maintenance grading.

Pavement materials are generally locally sourced and won buckshot gravels or similar and due to the pavement ages have very little fines remaining to create an inherent pavement strength when graded. From the 97km mark for a distance of 50.2km through to the point of 147.2km along the road, the formation takes the form of a graded flat blade with gravel sheeting.

There are generally no table drains along this section with the occasional off-shoot drain where significant problems have occurred in the past.

The flat blade formations, in the most part, are lower than the surrounding ground and tend to retain water and act as a drain during the wet season.

The flat blade formations are generally narrow and follow what would have once been a simple vehicle track. They are often poorly aligned both horizontally and vertically and have poor site distance attributes due to the alignments and the vegetation. They present significant risk to night drivers due to the encroaching vegetation and wandering animals, particularly larger animals such as cattle, horses and donkeys.

From the 147.2km mark through to the Port Warrender turnoff at 160.86km, the road is again a full width formation with table drains and appropriate off-shoot drains. This section is a far more recent construction and is still in relatively good condition.

The formation width is still very wide as is the pavement running surface. The pavement materials are still locally sourced gravels but in this instance they are still quite thick, in the order of 200mm, and retain a significant portion of their fines. This section of road is still performing well in relation to maintenance effort.

Traffic count data taken prior to the 2012 September school holidays and situated after the Drysdale River Crossing returned 158 vehicles per day. Anecdotally, the Port Warrender turnoff sees a significant portion of the traffic leave the Kalumburu Road at that point. This anecdotal view is supported by the maintenance effort required from the start of the road to the Port Warrender turnoff relative to that required from the Port Warrender turnoff to the 245km point North of the Carson River.

The road from the Port Warrender turnoff through to the Theda Station entrance, a distance of 37.3km and 196.1km from the beginning of the road, is predominantly flat blade formation sheeted with locally sourced gravels.

The gravel pavements are generally old and have retained very little fines to allow them to bind well. A six kilometre length of formerly black clay flat just prior to the Theda airstrip has recently been constructed with a full width formation, sheeting, table and shoot drains. This work has significantly improved the opening times of this section following the wet season and is in good condition.

Between the Theda airstrip and the Theda Station entrance, a segment of road approximately 1km, the road is a simple flat blade formation across sandy black clay flat. It has not been sheeted with any gravel and quickly becomes impassable following the first rains of the wet season. It is also a restriction in opening the road at the beginning of the dry season.

The final section of Council managed road runs from the Theda Station entrance to a point 2.6km past the Carson River, a length of 48.9km. This part of the road is the most challenging in relation to both construction and maintenance. It consists of flat blade formations generally sheeted with locally sourced rocky gravels, rocky tracks winding over the steep hills approaching the Carson River and full width sheeted formations with table drains and shoot drains.

At the conclusion of the 2012 dry season, all the treacherous black clay flats in this section have been constructed and sheeted with gravels. This improvement will significantly reduce the time required to open the road following the end of the wet season.

### 5.4.3 Flood Ways

The Kalumburu Road crosses 85 rivers and creeks until it reaches the boundary of the Department of Indigenous Affairs land 245km from its beginning. Historically there have been three crossing types used to cross these watercourses, none of which are bridges.

The first style of crossing, a cement stabilised gravel pavement, is constructed through the bed to allow traffic to pass at all but the high level flows. This type of crossing provides a stable even bottom allowing for confident fording by even the inexperienced and they resist the erosive forces of the water during the wet season.

The second method used is to replace the existing bed of the watercourse with reinforcing rock of varying sizes to create an interlocked pavement that is consistent in depth. These crossings are functional but provide a less even surface when fording and require more regular maintenance.

Thirdly, simple crossings are used when the length of crossing is less than that of the vehicle crossing it and they have short catchments that cause them to dry out quickly after the wet season.

There are three major rivers included in the above list. The Gibb River and Drysdale River are constructed using cement stabilised crossings, whilst the Carson River is constructed using rock sourced from the local area. The crossings at the Gibb and Drysdale are nearing the end of their useful lives, whilst the rock crossing at the Carson River shows signs of long term maintenance deficiency with a significant portion of the bedding rocks missing due to the high wet season flow.

#### 5.4.4 Jump Ups

Even though the Kalumburu Road is only suitable for four wheel drive vehicles, with the latter parts only high clearance four wheel drives, it is regularly used through the dry season by trucks delivering goods to Kalumburu, Mitchell Plateau and the stations.

The truck types vary from single axle vehicles up to and including triple trailer road trains. There are not a significant number of jump ups along the length of the Kalumburu Road but two are notable as restricting the use of the road.

Both these jump ups occur between the 200km and 210km mark and require significant effort by the drivers to cross. Road trains must be split and trailers taken individually through this section and construction equipment is often taken off low loaders and tracked through sites. None of the jump ups on the road are sealed and traction is the biggest issue.

#### 5.4.5 Summary of Maintenance Requirements

Grading is the predominant form of maintenance that occurs on the Kalumburu Road and generally occurs three times per dry season, funding permitting. The season begins with a 'skip' or 'hit and miss' opening grade, followed by a cut-off grade mid-season and then a closing grade just prior to the wet season.

At the cessation of the wet season, the Kalumburu Road is generally never suitable for use by the travelling public and requires grader work to make it safe. Council undertakes an opening-up grade over the entire length dealing with issues that will restrict or place users at risk. The ability to undertake this grade is dependent the ability to access the road over the surrounding watercourses or via Gibb River Road, as well as the black clay soils' ability to withstand the loads of the machine. An upgrade incorporating forming and sheeting will allow work to commence earlier in the dry season. On completion of the opening-up grading the pavement is then graded to complete the opening grade.

As the dry season progresses, the condition of the road pavement deteriorates to the point where the road corrugations make the road nearly impassable. The extent of this corrugation is so severe that the road is not suitable for caravans and most off road camper trailers. Destroyed suspension systems are a common site on most days during the middle of the tourist season. Whilst directly linked to the quality, age and depth of pavement materials, the deterioration is also attributable to the dry environment during the middle to the end of the season.

To alleviate this, a cut-off grade is undertaken mid-season to improve travelling conditions. This grade is a short term measure and areas of roughness return rapidly. Additional grades in significantly bad sections are not achievable without breaking into the sub base materials. Consequently, until an upgrade is made there will continue to be many complaints from tourists about the road corrugation.

Before the wet season, a closing grade is undertaken focusing on drainage. The drainage maintenance that occurs during the closing grade is critical to protecting the road formation.

The grading requirements outlined above consume all available Shire maintenance funding. Consequently, crossing maintenance does not currently receive any attention, meaning that cement stabilised crossings do not reach their full life potential whilst the functionality of rock based crossings are reduced due to uneven surfaces. Traffic signs and guideposts are also neglected in the maintenance regime due to budgetary constraints.

The Shire's 2012/13 road maintenance expenditure for the Kalumburu Road was \$64,000. Capital expenditure, including road reconstruction and renewal, was \$514,000. The Shire funded \$106,334 of the total, with Main Roads WA (Regional Road Group Grant and Aboriginal Access Road Funding) and the Federal Government (Aboriginal Access Road Funding) financing the remainder.

Unfortunately, the condition of the road continues to deteriorate as the Shire of Wyndham East Kimberley tries to keep up with increasing traffic demands and damage during the wet season.

An upgrading of the Kalumburu Road will allow the allocation of municipal funding to maintenance areas not currently receiving attention.

## 6 OPTIONS ANALYSIS

### 6.1 Transport Options

Given the remote location of the areas serviced by the Kalumburu Road, there are limited options for improving transport in the region.

One option is to increase the frequency of the barge service to Kalumburu. Given the barge service is for primarily for freight movement, this option will not satisfy the needs of the majority of stakeholders.

Another option is to improve air services by upgrading infrastructure. The cost prohibitive nature of air transport means that this will not meet the needs of the majority of stakeholders.

The most cost effective transport option is to upgrade the Kalumburu Road. This has been assessed as meeting the needs of all major stakeholders.

### 6.2 Road Upgrading Options

Two road upgrading options were considered:

- Reconstruction of the road to a sealed surface.
- Reconstruction of the road to a Type 3 gravel formation access road.

Option 1 was rejected on the grounds that it would involve a significantly higher construction cost which cannot be justified by the additional expected benefits over an upgrade to a Type 3 gravel surface.

Additionally, a sealed surface will not prevent road closure during the wet season flooding, whilst the damage sustained during the wet season will result in increased maintenance and renewal expenditure for the Shire of Wyndham East Kimberley to repair the road to its original state each season.

There are also concerns that sealing the road would diminish the ‘adventure tourism’ aspect of the route.

#### 6.2.1 Recommended Option

Upon analysis of the relevant benefits and costs, the Recommended Option is to reconstruct the Kalumburu Road to a Type 3 gravel formation access road.

## 6.2.2 Benefit Cost Analysis

Based on previous contract prices for similar works, the total cost of upgrading of the Kalumburu Road to a Type 3 gravel road is estimated to be **\$11,260,200**, based on a \$70,000 per kilometre construction cost over the 160.86km length from the Gibb River Road junction to the Port Warrender turnoff.

This cost is influenced by the availability of local road building materials and the amount of road formation works required.

Total benefits from upgrading this section of the Kalumburu Road equate to a present value of **\$38,785,879**.

The benefit cost ratio (BCR) for the recommended option of upgrading this section of the Kalumburu Road has been calculated at **2.30:1**.

### WARES Benefit Cost Calculation

The capital cost used in the BCR calculation includes a 50% level of accuracy factor (LOAF) to account for project uncertainty and risk. Total benefits therefore compare to a project cost of \$11,260,200 plus LOAF of \$5,630,100 to yield a relevant cost of \$16,890,300.

Vehicle Operating Benefits, Time and Other Savings were based on the following assumptions, which were run through Main Roads Western Australia’s WARES software.

Item	Assumption	
Works in Scope	Upgrade to Type 3 gravel road, reinstate formation 10m wide x 200mm depth	
SLK (Start and Finish)	0.00 – 160.86 km	
AADT (VPD)	158	
Vehicle Class Breakdown	Class 1	49.60%
	Class 2	39.70%
	Class 3	6.60%
	Class 4	0.50%
	Class 5	0.00%
	Class 6	1.90%
	Class 7	0.60%
	Class 8	0.20%
	Class 9	0.10%
	Class 10	0.10%
	Class 11	0.60%
	Class 12	0.00%
Design Standard	110 km/h for horizontal and vertical curves Note: represents maximum safe driving speed on horizontal and vertical curves.	
Average Vehicle Speed	62.01 km/h	
Project Surface Type	Unsealed - gravel	
Maximum Gradient	3.00%	
Reduced Road Closure Days	30	

Item	Assumption
Detour Route	341.5 km Note: although no detour route exists, this is the average of the distance between the Great Northern Highway and the start of Kalumburu Rd from the west (443 km) and from the east (240 km), based on assumption that if the Kalumburu Road is closed, a driver will return along the Gibb River Road back to the Great Northern Highway in the direction from which they came.

**Table 2: WARES Input Assumptions**

The result for Vehicle Damage Savings was calculated based on research findings from a survey of several tilt-tray tow operators and motor vehicle service centres that both retrieve and repair motor vehicles damaged on the Kalumburu Road. Research findings indicate that approximately 92 vehicles per annum are towed off the Kalumburu Road, 8 of which are rollovers or serious crashes, and 151 vehicles are taken in for repair after sustaining damage on the Kalumburu Road. Vehicle damage sustained on the Road is attributed to the poor condition and roughness of the road, the most common form of damage being broken springs and shock absorbers as well as other suspension, axle and steering column damage. The reduction in vehicle damage as a result of the upgrade is conservatively estimated at 50%.

Tourism Benefits were calculated from an analysis of the revenue of the key tourist attractions accessed from the Kalumburu Road, in particular the Mitchell River National Park and its camping ground. The tourism multiplier applied was the Kununurra multiplier of \$1.98,<sup>11</sup> meaning that for every dollar spent in accommodation, a further \$1.98 is spent on tours, shopping, entertainment and vehicles. The multiplier was applied to the 2012/13 accommodation revenue for the Mitchell River National Park after equalising the nominal value of accommodation in the Mitchell River National Park to the value of accommodation in Kununurra to determine a real value for downstream tourism benefits, which was discounted by 50% for uncertainty. The increase in tourism traffic as a result of the upgrade is conservatively estimated at 20%.

## Scope of Works

The scope of works is to upgrade the Kalumburu Road to a Type 3 gravel formation access road (unsealed) at an estimated construction cost of \$70,000 per kilometre, for the length SLK 0.0 to SLK 160.86 (to the Port Warrender turnoff). The formation will be reinstated or improved to a width of 10 metres, reducing the existing width of the road and hence reducing ongoing maintenance costs associated with grading the formation.

The Type 3 road upgrading option is often used for existing roads, and is seen as a viable solution where the previous road was too expensive to maintain or if there would be significant economic and social benefits realised by improving the road.<sup>12</sup>

The Shire of Wyndham East Kimberley will be responsible for contracting appropriately skilled designers, plant operators and earthmoving contractors.

<sup>11</sup> KPP Business Development 2012, Kimberley Science and Conservation Strategy, Kalumburu Pre-Feasibility Study.

<sup>12</sup> Department of Families, Housing, Community Services and Indigenous Affairs 2010, *National Indigenous Infrastructure Guide*, Australian Government, Canberra.

The road will be formed using local material. Water will be added to the local material and the surface compacted and trimmed to create a subgrade layer. A base layer of suitable imported gravel will then be spread, compacted and trimmed to create a wearing surface for the road. The base layer depth will be 200 millimetres.

The provision of additional or improved higher capacity table and cut-off drains is within the scope of works.

A signage establishment program will also be undertaken by the Shire of Wyndham East Kimberley from municipal funding sources and would include the installation and maintenance of both directional and warning signs, including guide posts.

### Maintenance Costs

Ongoing maintenance costs are expected to remain relatively stable. Although an increase in maintenance costs could normally be expected after a road upgrade in order to maintain a higher level of service, in the case of the Kalumburu Road, it is expected that such a cost increase will be offset by lower reconstruction and renewal costs after each wet season, with the upgraded road sustaining less damage.

The impact of increased tourism traffic will require increased effort to manage, including for example, permits, signs and other information.

### Benefit Cost Summary

The table below summarises the costs and benefits associated with upgrading the Kalumburu Road to a Type 3 gravel formation access road.

Capital Cost	\$11,260,200
Vehicle Operating Benefits	\$5,445,440
Vehicle Damage Savings	\$5,576,003
Time Savings	\$22,233,920
Maintenance Savings	-
Other Savings (Road Closures/Detour Benefits)	\$4,207,750
Tourism Benefits	\$1,322,766

*All figures are conservative net present value (NPV) over 30 years with a 7% discount rate.*

**Table 3: Summary of Project Costs and Benefits**

The benefit cost ratio (BCR) for the recommended option of upgrading the Kalumburu Road has been calculated at **2.30:1**.

### 6.3 Staging of Roadworks

The recommended option for the Kalumburu Road upgrade would be staged over four years at a rate of approximately 40km per year. Given climatic conditions, work can only be undertaken during each dry season.

Item	2013/14	2014/15	2015/16	2016/17	2017/18
Project Planning	●				
Upgrade SLK 0.0 – 20.0	●				
Upgrade SLK 20.0 – 60.0 (to Drysdale River Station)		●			
Upgrade SLK 60.0 – 100.0			●		
Upgrade SLK 100.0 – 140.0				●	
Upgrade SLK 140.0 – 160.86 (to Port Warrender Turnoff)					●

Table 4: Staging of Roadworks

The Project Planning Stage will include a detailed Road Definition Study to scope the project followed by road design and contract documentation for roadworks, together with a social and environmental impact assessment and plan.

The remaining 84.14km of the Kalumburu Road would be proposed for upgrading as a second stage to this proposal.

## 7 RISK AND CONTINGENCY

The main risks associated with upgrading the Kalumburu Road have been identified as:

- Uncertainty about road construction costs mainly due to indeterminate location of road building materials.
- Uncertainty about the level of future traffic load, in particular tourism and potential mining development.
- Management of the environmental and social impact of increased traffic.
- Vulnerability of unsealed roads to washing out/away with extreme weather events such as that experienced in March 2011.
- Lack of available funds.

The management of these risks requires:

- Data collection, interpretation and distribution by agencies and repeated monitoring.
- Survey of road construction materials.
- Traffic management by information, restrictions, permits, signage and improved facilities to be undertaken over time in response to traffic changes.
- A concerted lobbying effort by agencies to secure funds based on sound justification.

## 8 FUNDING PROPOSAL

Based on the Stakeholder and Benefit Cost analyses, there is compelling, objective justification for the upgrading of the first 160.86km section of the Kalumburu Road.

The Shire of Wyndham East Kimberley retains responsibility for the Road but has insufficient resources to fund this upgrade, despite its inherent value.

The Shire is seeking contributions in the form of grant funding from Main Roads Western Australia and the Department of Transport WA in order to proceed with the project.

Total grant funding sought covers the capital cost of the upgrade:

Capital cost per Kilometre	\$70,000
Number of Kilometres	160.86
<b>Total Grant Funding Sought</b>	<b>\$11,260,200</b>

Works are scheduled to commence in the 2013/14 financial year. Funding requirements in that year are higher due to project start-up and mobilisation costs. The capital grant funding requirement for each year of the upgrade is illustrated in Table 5 below.

Year	2013/14	2014/15	2015/16	2016/17	2017/18
Funding	\$2,815,050	\$2,252,040	\$2,252,040	\$2,252,040	\$1,689,030

Table 5: Staging of Capital Requirement for Road Upgrading

## 9 CONCLUSIONS

The poor to very poor condition of the Kalumburu Road is severely limiting the economic potential of the North West area of the Kimberley.

The Road is significantly restricting tourist access and limiting the potential for future mining operations in the region. Pastoral operations on the route are incurring significant expense in transportation costs and stock damage due to road roughness. Service provision and access to the Aboriginal Communities via the Kalumburu Road is also being restricted.

As well as unanimous support from key stakeholders for upgrading the Kalumburu Road, there are a range of Commonwealth, State, Regional and Local Government plans and strategies that identify this as a key economic and social driver for the region.

The recommended option is to upgrade the Gibb-River Kalumburu Road to a Type 3 gravel formation access road, at a cost of **\$11,260,200**.

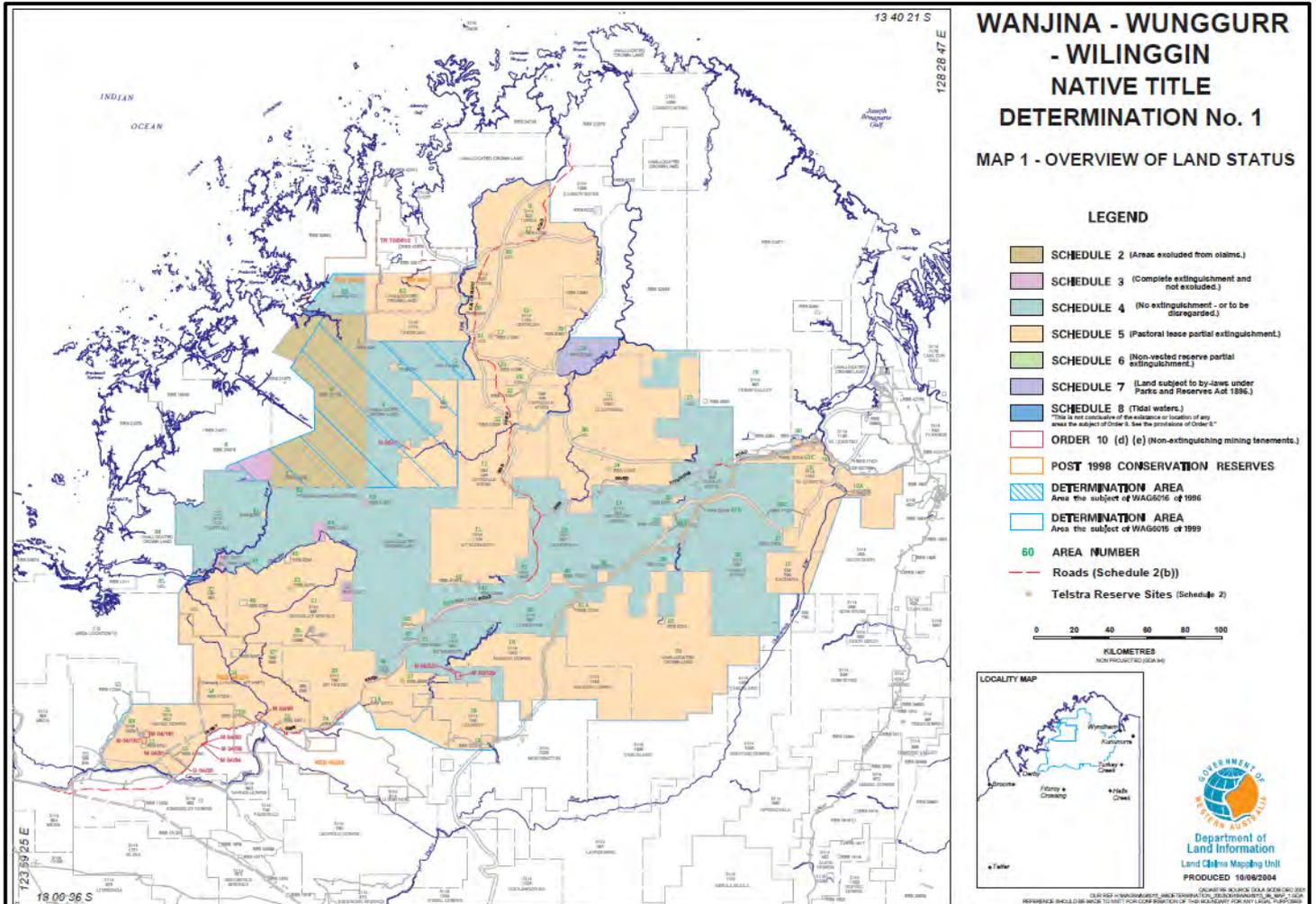
With a Benefit Cost Ratio of **2.30:1**, there is compelling, objective justification for upgrading the road to leverage social, economic and road safety outcomes for all stakeholders.

It is proposed to stage the upgrade over 4 years to maximise benefits and funding opportunities. Complementary maintenance activities on the road will continue to be undertaken by the Shire of Wyndham East Kimberley.

## 10 REFERENCES

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# APPENDIX A – WANJINA-WUNGGURR WILINGGIN NATIVE TITLE DETERMINATION NO 1 AREA



## 12 APPENDIX B – ROAD USER SURVEY

The following pages detail the results of the Drysdale Station survey of Kalumburu Road users.

We the undersigned believe that the North Kimberley Roads require more regular maintenance. It is the responsibility of government to provide safe reasonable condition access to the North Kimberley.

DATE	NAME	HOME OR COUNTRY	SHORT COMMENT
4-7-12	Anne Kooyers	Kimberley WA	terrible condition roads
4-7-12	Peter Cooper	BRISBANE	MORE GRADING
4-7-12	Rob Kaeley	VICTORIA	MORE GRADING
4-7-12	Sandra Innes	"	Terrible Disgraceful Road
4-7-12	Steve Kimber	Perth	More road work this year
4-7-12	<del>John Kooyers</del>	<del>Perth</del>	<del>more road work is good</del>
7/12	John Schwabauer	Melbourne	shit roads
4-7-12	Guy Gabe	Perth	you grubbing
4-7-12	Kathryn Patterson	Melbourne	More grading
4-7-12	Shirley Wiffen	Melbourne	More grading
4-7-12	DICKIE WOYLA	ULTRAVIOLET (VIC)	MORE GRADING
5-7-12	John NAIRD	Melbourne	Some Parts OK be grad to He OK stendo
5-7-12	Monty Fox	CANBERRA	Killer corrugations
5-7-12	Sarah Dina PROCTOR	QLD	AND LUCKY SHE'S ALIVE
5-7-12	KEE VICKRACIE	QLD	Bloody Awful
5-7-12	M. VICKRACIE	QLD	ABYSMAL!!!
5-7-12	D. Neale	QLD	HAD A DRINK AND CRASH MY TRUCK
5-7-12	R. CRYAN	QLD	NEED NEW KIDNEY
5/7/12	B. Coogan	WEST AUSTRALIA (QLD)	GRADE IT MORE! MOST
5/7/12	S. Timms	Victoria	More grading needed.
6/7/12	Chris Coxford	The place to be	Council needs to spend more
6/7/12	Bruce Ian Stone	Melbourne	Some shattering - need top
6/7/12	LATE BARBARA	PERTH	TERRIBLE CORRUGA
6/7/12	Peter Kaiser	Broomie	AS ABOVE
6/7/12	Jennis Rockett	Alice Springs	more maintenance
6/7/12	Sarah Alexander	Perth	terrible corrugation, damaged
6/7/12	Brian Colyer	Perth	More Grading Perth
6-7-12	Mal Rogers	Newman	Needs to be suited for
6-7-12	Michael Spamer	Melbourne	Grading would be good
6/7/12	Pam Alton	Melbourne	Safe roads would assist
7/7/12	Dave Alsop	FRANSTON VIC.	MY WIFE WON'T TA
			TO ME AFTER DRIVING THIS ROAD - LEAVE IT A
7/7/12	Sue D'Arcy	Sunshine Coast	Maintenance Plan
7/7/12	F. Scott	TASSIE	Average for for Tassie
7/1/12	Fly Mornly	Perth	Great Loved it
8/7/12	M. GRAHAM	NSW-Inverell	Desperately Needed
8/7/12	T. Hunter	NEW ZEALAND	IF YOU FIND MY TEETH SO
8/7/12	P. MURPHY	CASTLEMAINE	PLEASE FIX ROADWAY!
8/7/12	P. Alexander	PERTH	More road work is good

We the undersigned believe that the North Kimberley Roads require more regular maintenance.  
It is the responsibility of government to provide safe reasonable condition access to the North Kimberley.

DATE	NAME	HOME OR COUNTRY	SHORT COMMENT
5-7-12	Torank Aruna	Kimberley	NEEDS IMPROVEMENT
5-7-12	Peter & Cathie Northam	Victoria	Terrible - move grader
5-7-12	Fred & Elizabeth ROBINSON	VIC	Trader
5-7-12	BRUCE & HEATHER MANN	VIC	NEEDS WORK (LOTS)
5-7-12	Beth & Keith Drayton	W. Aust	Done Canning Stock Route -
5-7-12	Brian KILBICK & POCRANEE	VIC	NEEDS WORK - NOT REC. TO
5-7-12	DON & ANNE CAMERON	QLD	Badly corrugated needs grader
5-7-12	GEORGE PHILIP OSBORNE	VIC	SHIT ROAD !!!
5-7-12	T & J PATTERSON	SA	Wash better materials
5/7/12	S & E TURTON	WA	corrugation terrible
5/7/12	T YESDEN	WA	Shocker.
5/7/12	C Johnson / A. Rosenau	Canberra	Is this Oz or Africa
6/7/12	D. Rochett	Alice Spring	Need more mainte-
6/7/12	A. Gurney	Canberra	Needs Grading & Uptra-
6-7-12	Neville Wright	Melbourne	SHIT SHIT SHIT SHIT SHIT
6-7-12	Kendall Wright	Melbourne	Give you a headache
6-7-12	Wayne King	WAUST	Needs Grading.
6-7-12	Brian & Sarah	Str Aust	Expensive repair costs
6-7-12	Cheryl Grandy	S. Aust	more than 100000 per km
6-7-12	K & S Gilbow	London NT	the expensive type of oil
6/7/12	Ann & Gray Webber	NSW	Please Repair
6/7/12	Janet Trevor Imer	NSW	What a dreadful road -
6/7/12	Chris & Helen HARRY	QLD	definitely needs work
6/7/12	Bonnie Dunn	UK	horrendous
6/7/12	Kevin Dunn	-	shocking
6/7/12	Jill Tacey	VIC	HORRENDOUS !!
6/7/12	DAVE WATTS	SA	SHOCKING
6/7/12	PAUL DWYER	VIC	2 TYRES IN 2 DAYS
6/7/12	MAEK DRIVER	NT	HARD WORK.
6/7/12	ANDY SIMS	NSW	
6/7/12	Andy & Jack Russell	ACT	Needs Upgrade
6-7-12	EVERYNN SHAW	NSW	Horrendous too.
6/7/12	LOIS HANNA	NSW	OUR FRIENDS IN THEIR SHOCKERS
6/7/12	Lexi Gilbert	W.A	SHOCKER.
6/7/12	JOHN EDWARDS	Kimberley	Absolutely Rediculis
6-7-12	Vivian Vernon	QLD	ROAD MAINTENANCE
6/7/12	Lyndea Coates	VIC	Needs work!
7/7/12	Des Harris	NSW	VAN Springs/Flat
7/7/12	Bill Wyley	SA	Need Big Works
7/7/12	Bob Hill	NSW	CORRUPTIONS
			upgrade road please!

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It is the responsibility of government to provide safe reasonable condition access to the North Kimberley.

DATE	NAME	HOME OR COUNTRY	SHORT COMMENT
08.07.12	LESTER + SHARYN DORE	CARENS QLD	Probably the worse corrugations so far!
08/7/12	Holanie Couyant	Melb.	Life threatening
8/7/12	Roger Mohler	White Cliffs	worse car. ever on!
8/7/12	Norm Walk	Bandaberg	No Good for Vehicles
8-7-12	Horraine Dick	Shircoul	TSUNAMI RUT !!
8/7/12	Libby Norman	Perth	Unbelievable. Really !!
8/7/12	Bill Nankervis	Victoria	A bit too rough
8/7/12	Anette Eulenstein	Sydney	as a bush traveller work corrugations ever
8/7/12	Tom TORRE	Gold Coast	worse than Tanami
8/7/12	John armstrong	Melbourne vic	worst road ever-tanami was nothing
8/7/12	Kathryn Heyen	Melbourne vic	needs improvement
8/7/12	Frank Henner	"	"
2/7/12	Kim Wiese	Melb vic	"
2/7/12	Ben Gardner	Melb VIC	"
8/7/12	BRIAN ELLIOTT	N.S.W. MARDI	IF YOU HAVE A GRADER. I WILL OPERATE
8/7/12	DIANNE HOSCHKE	NSW	Help tourism + will promote the area
8/7/12	Miranda Robinson	W.A. Aust	Help to promote the area
8/7/12	D.E. ELLIOTT	NSW	Bone shaker
	ZAC SMITH	NSW	SHOCKER
8/7/12	STUART MORRIS	QLD	TOURISM WOULD BECOME BETTER
8/7/12	A. Tapcolas	Bandaberg QLD	Bring spare parts (P&S)
8/7/12	TIM LINDOLLY	Perth WA	Very Bad Road Conditions
8/7/12	NORM + MICHELLE NALES	BANDABERG QLD	VERY BAD ROAD
8/7/12	BEAL CARLIER	VICTORIA	AS ABOVE
8/7/12	JOHN + LA EDWARD	W.A	As Above.
8/7/12	GARTSHORE	VICTORIA	Please Upgrade!
"	DAMIAN GILL	Perth.	NEEDS WORK!
8/7/12	JUDY BOHLSCHKEID	QLD.	DANGEROUS NEED UPGRADE
8/7/12	MAX BOHLSCHKEID	QLD	Gravelly Dangerous.
8/7/12	SHANE CRASWELL	Broomie	WORST I HAVE SEEN + 4 yrs
9/7/12	SCHOLZ GUNTER	BRISBANE	please grade
9/7/12	ALAN HAWKINS	PERTH	SHOCKING
9/7/12	Worce RISSON	IPSWICH	SHOCKING, DANGEROUS, RUINS TOURISM
"	Denise RISSON	IPSWICH	DANGEROUS
"	Rhonda Pallett	IPSWICH	"
"	John Pallett	IPSWICH	"
9-7-12	Kim + Loe	PERTH	shocking.
9-7-12	K + J MUIR	W.A.	Worst Road we've been on
9-7-12	K. K GIBERT	WA.	Worst Road

We the undersigned believe that the North Kimberley Roads require more regular maintenance.  
It is the responsibility of government to provide safe reasonable condition access to the North Kimberley.

DATE	NAME	HOME OR COUNTRY	SHORT COMMENT
8/7/2012	R McCarron	Bunbury, WA	The road is dangerously corrugated. Despite all care, we have had to have 4 pull
8/7/2012	Simmy LEE	CARBOONURE QLD	NO GOOD AT ALL.
8/7/2012	E. Cipollone	Terrigal NSW	Roads are pretty rough, As expected.
8/7/12	W. Saunders	Brighton VIC	Terrible, not tourist friendly
8/7/12	K. Saunders	Brighton East Vic	Teeth chattering, horrible
8/7/12	S. Zimmer ☺	James Price Point	Port Warrender Road ☺
8/7/12	Annette Eulenstein	Sydney	worst corrugations ever drive
8/7/12	Jeff Ha	Stranraer / Ayr	Shit!
8/7.12	Art Ha	Hof (Germany)	terrible road!
8/7/12	Udo Eulenstein	Blacktown	good for Corral cars
8/7/12	RICK ALBERT	QLD	WRECKED BEARINGS ON TRAILER
8/7/12	HUGO LECOMTE	FRANCE	My Subi doesn't like it!
8/7/12	DAVE Youmans	GRANBY NSW	Extreme Corros / Terrible
	B. Walker	TITIRANGI NZ	Nice if it was smooth!
8/7/12	J. Lunde	ENGLAND LU7 0ST	V. rough
8-7-12	Michael Wuxton	UK	this region deserves better roads!
8-7-12	Elkie White	UK	Rubbish!
8-7-12	Jane Greags	Downer ACT	Disgusting condition - Crap!
8-7-12	Fred Willis	TASSIE	Worst Roads ever travelled
8-7-12	MAX YOUNG	EAST GIPPSLAND VIC	VERY BAD CONDITION - WORST YET
8-7-12	Mary Anderson	Port Stephens	worst road I have travelled on
8-7-12	KERRY M. MCGORM	ADELAIDE S.A.	JUST A DISGRACEFUL EXCUSE OF A TRACK.
	JEANIVIVE MCGORM	ADELAIDE SA	BONE SHAKING !!
8-7-12	Liz J.	Melbourne	Rough & tumble
8-7-12	PETER J.	"	NO JOBS in the area
8-7-12	JULIE WATKINSON	ADELAIDE	TIME TO FIX IT. PLEASE
9-7-12	JUDY FAKES	SYDNEY	Very rough.
9-7-12	Sophie Cornillet	Bazoches / La Bray	Dangerously rough ...
9-7-12	NEV HUNT	MURGON QLD	BAD! GRADE URGENTLY
9-7-12	Sylvie Juchems	Luxembourg	Very rough
9/7/12	Ran CATTAM	TAREE NSW	BAD!
9/7/12	Kellie Wild	PERTH WA	worst corrugations ever
9/7/12	JOHN HURTAN	MELB - VIC	CAR BREAKING BAD
9/7/12	John Mireman	Darwin NT	Rough!!
9/7/12	Smokers	Perth	DANGEROUS!!!
9/7/12	CRIZW	Wagga Wagga	Worst ever
9/7/12	CRIZW	WAGGA WAGGA	WHO PAYS FOR THE
9/7/12	RAH RKKY	VICTORIA	LOTS OF CRASHES ALREADY
9/7/12	CAN Maxwell	SOUTH AUSTR	Kalumburu Road please!!!
9/7/12	Doreen Grassick	WA	worst ever.

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9/7/12	JASON MORTON	DARWIN	THE WORST IN THE COUNTRY
9.7.12	Anthony D'Agostini	Tumby Bay	Rough!
" "	Sharmaine D'Agostini	" "	Rough as guts/irritating
9.7.12	Stacey Timmins	vic	Needs more work done.
9/7/12	Rob Moad	WA	Fix it
9.7.12	Robby N Pollard	N.S.W.	Rough.
" "	Bobby Pollard	ALBURY NSW	DANGEROUS/LIFE THREATENING
" "	David Mülle	WA	
9/7/12	MATT CROSS	WA	ROUGH + DANGEROUS.
9/7/12	Neil Maycock	SA-	Appalling;
9.7.12	James Mann	S.A	As above
9.7.12	Darren Grassick	WA	Worst in 3 continents
9.7.12	Sandra Marcell	WA	Disgusting/Do something
9.7.12	VIRGINIA & JOHN WATTS	VIC.	Dangerous. Rough.
9-7-12	John Gill	WA	VERY ROUGH
9.7.12	Kathy Heron	NSW	Rough.
9/7/12	Ann Chandler	NSW	Appalling Council should be ashamed
9/7/12	GIAN & VIR DEARLE	WA.	DISGUSTING, HOW IS THIS PROMOTING TOURISM?
9/7/12	DANE & DAMIAN PATTERSON	NSW	ROAD A DEATH TRAP FOR UNSUSPECTING TOURISTS.
	Jen & Sharon Chapman	WA	Very rough.
9/7/12	Lynne Baker	QLD	So, so, bumps, saw 2 cars being pushed back
9/7/12	Marilee Gill	WA	Just fix it you collect the toll
09/07/12	Renee Gill	WA	" Rate New Speed
9/7/12	Marc Blum	Switzerland	ut
08/07/12	Daniel Krottenthaler	Austria	
5/7/12	Adrian Krotenthaler	Switzerland	
7/7/12	Lucy Boland	Qld	Wasn't the roughest road
7/7/12	Kimberly Morton	NSW	Need more AP Signs!!
7-7-12	Ack Samalbert	NZ	Very very rough
10-7-12	Tracy Stoney	QLD	
10-7-12	GIUSEPPE PAROLA	NSW	Very rough - Please fix it!
10/7/12	Emma Demattio	NSW	very much dangerous
10/7/12	Scott Gill	W.A.	rough & dangerous.
10/7/12	N. Howlett	WA	did an axle - not happy!
10/7/12	R & M Read	N.T.	did Spring 2008.
"	L. + G. WELK	VIC.	very very very rough.
10.7.12	P & K Holwell	vic	extremely rough & slow.
10-7-12	D. & P Sosa	WA	"Fuu"
10-7-12	Kim Hedges	vic	OMG. that's ridiculous!!
10-7-12	D. Mansfield	WA	Bloody awful.

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DATE	NAME	HOME OR COUNTRY	SHORT COMMENT
10-7-12	ATE FULLER	PAYSWATER WA	Road definitely needs, jank
10-7-12	R. BYRON	CARNARVON WA	Road needs grading
10-7-12	P. BYRON	CARNARVON WA	GRADE ROAD.
10-7-12	I. BALICH	CARNARVON WA	ROAD FINES (Duck)
✓	Jillie Bilich	Carnarvon WA	road needs grading
"	CATHY GOENACK	KARDINIAN WA	KALUMBURU ROAD, NEEDS
-	CHRIS MERCE	MENZIE VIC	.
"	Anne Merce	Yanchea QLD	little rocky in ps
"	Kery Brewer	Yanchea QLD	✓
10/7/12	CATHY DAVIES	Adelaide SA	Graded needed for w
10/7/12	DAVE CAMPBELL	Perth WA	" " " "
10/4/12	FAD CAMPBELL	BIRDSHOOT WA	An absolute disg
"	N. McDONALD	GARDNER WA	Too Rough
10/7/12	Helen Kelly	Dunera	Too Bumps /grading
10/07/12	BRIAN PERKINS	BROOME	DISGUSTING
10/07/12	Diane Nicholls	Carnarvon	Car-braking - VVV road
10/7/12	Jill Nasson	"	Too rough for vehic
10/7/12	Diane Johnson	RIVER MANS Qld	Too Rough Back Br
9/7/12	Val de BURGH	Perth Metro	VVV Rough - bit of a det
10-7-12	Sophia Lamont	Brisbane Austr.	It's a shame to make you
10-7-12	Ross Lamont	"	sights so hard to see
10-7-12	KARE MASSIE	BRISBANE QLD	Hopeless Road!!
10-7-12	Bruce McPherson	KURURUP WA	DISGUSTING ROAD
10-7-12	PAUL MASSIE	BRISBANE QLD	Rough as
10-7-12	Henry Hoff	BUSSETON WA	TERRIBLE ROAD,
10-7-12	John Sim	Cooma NSW	NIGHTMARE!
10-7-12	Jaume Wiseman	Port Hedland WA	Needs to be safe.
"	Stacey Kenyon	"	very bumpy ride nes
10/7/12	Kevin Johnson	Sydney	"
10/7/12	WM O'DONOGHUE	GOLD COAST	needs grading very
10/7/12	W. Crawford	Carnarvon	NIGHTMARE
10/7/12	S. Mills	Perth WA	Terrible
10/7/12	J. McMahon	Perth WA	"
10-7-12	K. Smith	Lake Haven	terrible
10/7/12	Ella Evans	Melbourne	Road terrible
10/7/12	S. Evans	Perth	Bumpy!
10/7/12	B. van der Meer	Melbourn.	worst I have ever
10/7/12	Dave Stewart	Sydney	DRIVEN BY ROAD
10/7/12	N. CHRISTENSEN	BROOME	Corrugated
10/7/12	DAVE ARELAK	KARRATHA	Corrugated
			Broke out shock abs
			STUFFING CAMPER TR
			ROUGH.

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DATE	NAME	HOME OR COUNTRY	SHORT COMMENT
9/7/12	Ko Sangmin.	Korea	I had accident. !!
9/7/12	Sandra & Jim Innes	Victoria	DISGRACEFUL
9/7/12	DAMON BOND	AUSTRALIA	NEEDS MORE
9/7/12	Bob Nathan	PENNSYLVANIA	DISGRACE + DANGEROUS
	CE WELK	VICTORIA	ROUGH
10/7/12	B BILLARD	VICTORIA	Too severe on vehicle
10/7/12	I. WAGNER	VICTORIA	Dangerous. Needs
10/7/12	A. SHEPHERDSON	VICTORIA	SAFETY ISSUE
10/7/12	J.S. King	VICTORIA	SAFETY, Comfort, Tow
10/7/12	JORG VRAZE KEAR	VICTORIA	DANGEROUS + UNSAFE
10/7/12	Bill Cooke	NSW	GRADE ROAD + STOP TOU
10/7/12	Bryan Gillard	WA	Experienced abdomen with the bump
10/7/12	Cathy King	WA	HOPELESS, UNSAFE, WILL NOT
10/7/12	Troy Howlett	WA	Very expensive repairs can
10/7/12	Jeremy Lloyd	WA	Debris treacherous!
10/7/12	ADLAER KASKE	NSW	VERY ROUGH
10/7/12	Bruce McMahon	WA	Rough as. Danger
10/7/12	Kate McMahon	WA	Very rough + dangerous
10/7/12	Nathain Brown	WA	"
11/7/12	GRAHAM MCCARTHY.	WA	Steady DANGEROUS
11/7/12	INARDO ENCLIANO	WA	lots of corrugation!
11/7/12	JANE EAKINS	NSW	Not a good reflection on WA
10-7-12	ROB DENNETT	NSW 2152	Hasnt change in 11 y
10-7-12	CASEY AUST TOURS	W.A.	VERY DAM BRD/DANCE
10/7/12	Kaye Curry	WA	Simply too rough for N°.
10/7/12	John Watson	NSW	Terrible. Danger
10-7-12	HENRI KROFT	WA	Very bad road!!!
11-7-12	Johns family	QLD	VERY ROUGH!!!
11/7/12	Tim + Ellen BROTHESON	WA	Rough as Cui
11/7/12	Kaye Cardoso	WA	Too many damaged ca
11/7/12	Bruce Cardoso	WA	Dangerous/Unsafe
11/7/12	Lydia Ivanchenko	NSW	Very rough - !!! Not a plea
11/7/12	Michael J. Keller	QLD	" "
11/7/12	Toby Ware	QLD	UPTO SHIT.
11/7/12	GREG SULLIVAN	W.A	A WA DISGRACE!!
"	VIERBATH	GERMANY	Unacceptable! for
"	Evans Troops	WA - Pilbara	Testicles rattled off
"	Cheryl Landes	NSW	Health Hazard !!!
"	CLARKSON + CHRISTIAN CLARKSON	WA	VERY ROUGH.

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DATE	NAME	HOME OR COUNTRY	SHORT COMMENT
10/7/12	A. VAN DER BEEK	AS-DAMM	STILL SHAKING
"	T. Vanderveide	Australia	Need Fillings reset.
"	D. Anastropiu	Australia	Rough.
"	D. Dennis.	Australia.	Needs a fix.
"	D. KEMPSON	AUSTRALIA	GRATINGS NEEDED
"	F. Greig	Kalumburu	hkhkh-----
"	K. Schmidt	Perth	"
"	J. Moody	"	"
"	P. Cox.	MANDURAH	PLEASE STOP
"	MARCO TASSINO	Woolly, WA.	ROAD DISASTROUS
10-7-12	DEBBY KETTES	ENGLAND	SCAREY
12-7-12	ELTON + SHIRLEY THOMPSON	TOONABRA	Very ROUGH.
"	Diane + Jim Gyles	Meenyan	Dangerous
12-7-12	L. STIGEL	AUST.	WROA!
10-7-12	S. Mills	Perth	Needs fixing
10/7/12	S. DORR	PERTH	Rough Road
10-7-12	S. Evans	Adelaide	Very severe unsafe
✓	A. WATSON	KALUMBURU	SHOCKING!!
10-7-12	K. Waiton	Australia/Sydney	Unsafe! Needs
10-7-12	A. STEVENSON	AS QUDD	Too damaging
10-7-12	P. Arthur.	KARRATHA	Too rough.
10-7-12	M. Cheal	Perthland	not as smooth.
10-7-12	B. Nethercote	" "	" "
✓	Deen White	Exmentle	Ordinary.
10/7/12	Charlie Mills	Perth	Rough
11/7	Marshall Black	Broome WA.	Needs some work
11/7	Bluey Vanyhan	Broome	Ruff, Ruff, A
11/7	Ellen Piesse	Broome	need grad!
11/7	IAN JILLIAC	PERTH.	Disgraceful. Bad C
11/7	Tracey Pain	Old.	Oh dear!
11/7	NEIL McCLURE	KALANNIA	NOT RISK FLASH
11/7	Gavin Dent	Perth SA	would love it graded
11/7	DAVE BRYAN HORIZONS	ADD.	ABSOLUTE DISGRACE
11/7	Laura Joseph	Vic	A Disgrace
11/7	Rob Kelly	Vic	Too rough
11/7	TOREY	Vic	Rough
11/7	Sue Neiswold	QLD	Graded piece was gone
11/7	ICASSONE Family	Tom Price WA	gone about the rest. Dangerous road!!!
11/7	Jerry + Lynn White	Richard, NZ	Grading would make it
11/7	David Hydes	Manly NSW	Just don't

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DATE	NAME	HOME	SHORT COMMENT
11/7/12	Gratiana Smithy	Heve, SA	Too Rough!
11/7/12	Nick Bessel	NOONAMUNH NT	Hasn't changed in 20yrs!
11/7/12	LISE + BEN DOYLE	Beagle Bay, WA	Our camper is busted
11/7/12	JUDITH RAY SMITH	Kalbarri WA	Road was disgraceful
11/7/12	FIONA MEREATH	Kununurra WA	HARD Core!
11/7/12	Bronya Jordan	Djarindjin WA	More people will come
11/7/12	Paula McCulloch	Tassie	Keeps the people on
11/7/12	AMY LEWIS + TOM JANSONE	KUNUNURRA, W.A.	BIT ROUGH!!!!
11/7/12	Rochelle Binks	BLOOMIE, WA	HARD WORK!
11/7/12	Megan Christie	Rockingham WA	TOO ROUGH
11/7/12	COLIN SCHWARZ	LARGE NORTH SA	NOT A ROAD, O/R
11/07/12	Jan Kew	Carawindra NSW	Worst part so far
11/7/12	Amanda Lawrence	Melbourne	Gibbs River Rd very bad
11/7/12	lyn spencer	Ady	too rough. Need Grad
11/7/12	Mel Dunsin	Maffra	Shocking.
11/7/12	Naila + Leona Jennings	Kingscliff NSW	In need of attention
12/12	Terry Geeson	Warragul	" " "
12/7/12	Anne Collins	Yorktown SA	bit rough little corr
12/7/12	Anne Heath	Newcastle NSW	dreadful
12/7/12	B.G. Mary Neal	Cranbourne	Important priority needs
12/7/12	FIONA DESS	DARWIN NT	Very rough
12/7/12	Jean Smith	PT HEDLAND	BEING RATTLING - R
12/7/12	SPAN COOKE	Nakara NT	Rough
12/7/12	JAMES	UK	NOT GREAT, SOUL SHAK
	ROO MCCRACKEN	VICTORIA	DANGEROUS
12/7/12	Melanie	ORANGE NSW	} Very Shaking head needs we
12/7/12	Juili Jones	Canberra	
12/7/12	Jeanette Seay	Perth WA	Rough, more people will
12.7.12.	JOHN NORRIS	CRABS GO	Sparking CARRIAGES
12.7.12	C. Norris	QND 4870	RATTING + + +
12.7.12	B Pilcher	QND 4115	B.S.
12.7.12	B. MULL	Knox WA 6743	Needs Work
12.7.12	D GINN	Berwick Vic	Very Rough
12.7.12	P. SIMMONDS	Blackburn Vic	P. Simmons
12/7/12	ALICE ANDREW	NSW	Alice
12.7.12	E. PLUMLEY	YOUNG NSW	E Plumley
12/7/12	T.O TOBLE	GERONG VIC	T.O. Toble
12/7/12	Margaret Smith	Port Macquarie NSW	M. Smith
12/7/12	Gai Cameron	Binder NSW	Gai
12/7/12	Jeff Buchan	Woronora Sydney	Jeff



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12-7-12	Tiahy Atkins	Atherton	It is shit
12-7-12	S. Timmis	Yarra Valley	I wish i never came!!!!
12-7-12	T. KITE	W.A.	I'm fairly sure if I flew in I still would have felt the bumps.
12-7-12	Lisa Gombé	Q.L.D	horrible just horrible
12-7-12	Leanne Hunt	Derby. WA	very very bumpy!!
12-7-12	K. Anons	Derby WA.	Shit! + Bumpy!
12-7-12	Kylie Sgherza.	Derby WA.	Way too Bumpy!
12-7-12	Tom Sutcliffe	Halls Creek, WA	painful
	StB. Calvert	Fendalton NSW	Very uneven!
12/07	Shane Calvert	Frenchtown NSW	dreadfully bad.
12/7/12	Richard ONAL	SYDNEY	APPALING & FIX IT
13/7/12	Tegan + Jayden	Geraldton	Road <sup>to be</sup> made more accessible
13/7/12	KRISTIE BOONALL	PINGEVILLE SA.	VERY ROUGH, NEEDS WORK
✓	DAVID BOXALL	SINGAPORE	ROUGH AS GUTS.
	KAYE & LAURIE VISION	Rit Vicia	NICE WHEN GRADED
	Helen + Malcolm Crosby	KADINA SA	NEEDS REGULAR MAINTENANCE!
13/7/12	Chemyne Rogerson	NEWMAN WA	Nearly stopped us from going further. <small>obviously will miss out!</small>
13/7/12	Malcolm Crosby	KADINA SA	BETTER WHEN GRADED.
13/7/12	Kod Peters	MORNINGTON VIC.	SHOCKING RD. WORST YET!
13/7/12	TONY & CHRIS TURNER	AUSTRALIA	PULL FINGERS OUT & GRADE THE ROAD MORE REGULARLY
13/7/12	Paul Allen	Gold Coast.	Regular Maintenance Needed
13/7/12	BRIAN MILHAM	SYDNEY NSW	NEEDS MAINTENANCE BADLY
13/7/12	Diana Mason	Nth Rivers NSW	VERY Rough
13/7-12	Janelle Lord	Sydney NSW	very bumpy
13/7/12	Wendy Marsh	Ballina NSW	Very rough.
13/7/12	Geoff Mash	Ballina NSW	Severe corrugations
13/7/12	Sharon Sanders	Belmont Nth	so Bad
13/7/12	ROD OATES	QLD	DRAP FULL
13/7/12	DANNY WAUGH	QLD.	BAD.
13-7-12	Jane Walsh.	QLD.	Bad.
13-7-12	Amato Oates	QLD.	RUUUUFFFF!
11	Andrew Amey	QLD	Shocking!
13-7-12	Kathryn Strawbridge	Tom Price, WA	Very rough road!
13/7/12	Peter Moore	Katherine, N.T.	Ungraded sections BAD!
13/7/12	Bon Thomas	Port Hedland	Poor condition for % of users
13/7/12	Terry Donohue	ASPENDALE. VIC	Rough as guts
13/7/12	VERONICA KAIMS	LALOR VIC.	VERY ROUGH.
13/7/12	GAVIN FORD	Tville Qld	Poor for amount of traffic
13/7/12	LEO McDONALD	WULGURU Q	DAMAGES VEHICLES.

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13/7/12	GARY + KARINA WALTER	ESPERANCE WA	Very Rough, Damp trip, helps w/leg
13/7/12	Kevin + Anne Wood	Gold. Coast	Was rough corrugations TOO CARRY
13/7/12	RON + JULIA BLAND	DARWIN NT	Too Hot For <del>SUIT</del> A ROAD
13/7/12	James + Angus	NEWCASTLE	way to <del>with</del> bumpily
13/7	Emel Civan	Melbourne	When graded was
"	Wes Follett	Deniliquin	"
"	Peter Hobart	Brisbane	"
"	Julie Follett	Deniliquin	More travellers will con
"	Nike McDemmond	Perth WA	Just do it
"	Josh Beck	NSW	I think it broke my car.
"	Rob Westlake	Mitchell plat	Hell rough
13/7	Nick Muller	Karratha WA	what a joke.
14/7	Reis Browne	QuinnRocks WA	Would be nice / Come On.
14/7	Andrew Penny	Ravensthorpe WA	Bit Rough.
14/7	Fleur O'Neill	Port Hedland	don't like driving sideways.
14/7	Rick de Vree	LAKE GRACE	LOST part of exhaust
14/7	Tanya Smith	Beechmont Old	too bumpy + rocky
14/7	Cliff Carlot	Lake Entrance	Thumbs up!
14/7	SIMMO ARTHUR	Canberra ACT	I LIKE IT ROUGH
14/7	MARCE HETHERINGTON	WEST WYALONG NSW	VERY ROUGH
14/7	STEVE SANDERS	NEWCASTLE	TO ROUGH. did not go further.
14/7	MARK WHITE	HAUS CREEK	EXTREMELY ROUGH <sup>WILL NOT</sup> DO IT AGAIN
14/7	BOB BROWNRIDGE	ADELAIDE	USE SOME OF MY TAX MONEY!
15/7	CAULFOY	PERTH	ROUGH!! ROUGH!! ROUGH!!
15/7	STOYFA	DRISBANK	PLEASE GRADY ROAD
15/7	J. Medler	Williams	Bloody rough
15/7	G. MEDLER	Williams	SHIRTS SHOULD BUY A GRADER
15/7	W. Schraf	Williams	rough
15/7	C Skeer	PENOLA S.A.	very rough.
15/7	J. Montgomerie	Gawler SA	Bloody rough!
15/7	G. FRATHERY	MOSMAN PARK WA	yuck!
15/07	J. Mitchell	Franks ton	Very Rough + Bumpy
15/07	G. Siberschn	Gawler S.A	Very Rough But worth the trip
15/07	E. Sutcliffe	Halls Creek	Broken diff!
15/07/12	T. WARD	Halls Creek	Very Rough BUT DON'T CALL A SHIT!
15-7-12	Dave Sutherland	Berwick Vic.	ITS THE OUTBACK - HARDEN UP PRINCESS !!
15/7/12	SUE BARLAD	AUSTRALIA	ROUGH
15/7/12	MARTIN PORR	AUSTRALIA	IMPORTANT ISSUE !!

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13/7/2012	J. CHEATHAM	Perth	Rough
13/7/2012	K. LEDWICH	MELBOURNE	Rough is an understatement
13/7/12	J. Turner	Broome	Had a fire blowout. !!
13/7/12	B Doust	Broome	flat tire! fix it!
13-7-2012	P HOBART	SUNSHINE COAST	NOT A GOOD ROAD.
14.7.12	M BEZEL	INVERLEIGH VIC	TOO ROUGH.
14/7/12	JUSTIN RECHICHI	BROOME	HORRENDOUS & NOT SAFE
14/7/12	Jana Schüle	Melbourne	Very Rough.
14/7/12	PETER CAMERON	NEWCASTLE	UGLY & ROUGH
14/7/12	ANDREW WALTON	Perth	Horrible
12/7/12	ROBERT BROWN	GLENROWAN	<del>Horrible</del>
14/7/12	Kathryn Bothe	Adelaide	Road is in appalling condition
14/7/12	Richard Morrall	Adelaide	Dangerously poor condition
14/7/12	J. SCHIPP	DARWIN	FANTASTIC ROAD, CANT WAIT TO DRIVE AGAIN
14/7/12	H. Murray	Darwin	Too dangerous even for 4WD driving.
15-7-12	Reece Ottaway	Beermah QLD	bit rough - cranky
15-7-12	Natalie Glare	Hopetoun VIC	hideous corrugations
15-7-12	S. Grosser	Peppinang NT	Rough & dangerous.
15-7-12	M WHITE	Port Kennedy	very dangerous - not good
15-7-12	Leon & Wes Peaker	Busselton WA	Bone Shaking Car Shattering!
16-7-12	Helen Crosby	Snowtown SA	Needs regular grading.
16.7.12	D. Boxall	Singapore	Shame Julia, shame!
16/7/12	Darren Martin	Frankston VIC	Bloody Rough.
15/7/12	Corekin Hoillan	France	Too Dangerous for the car! Rough!
15/7/12	ZDENEK DECKA	PERTH	SHOCKING!
15/7/12	DAN DE ROOY	AUST.	DANGEROUS
15-7	Kyle & Lorraine Medley	William WA	
15.7.12	James Wilkinson	Perth WA	Near to Be Better
15.7.12	Sutherland	Broome WA	very rough
15.7.12	GRIFFITHS	BUNBURY	I'm still shaking!
15/7/12	McDermott	Bunbury	Nuts and bolts come loose
16.7.12	N. Pace	Bibela QLD	very rough. needs work.
16.7.12	J. BOWAZE	Ballaarat VIC	Too Rough
16.7.12	A Roberts	Melb vic	needs a good grade!
16.7.12	N Roberts	Melb vic	rough!
16/7/12	J. HUNANZKY	VICTORIA	SHOCKING WHS !!!
16/7/12	BOB MARTIN	VICTORIA	Horribly Rough
16/7/12	L HUMPHREY	VICTORIA	Bloody Awful.
16/7/12	L. MARTIN	VICTORIA	Bloody Rough.



**CAMMS**

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### 13.3.3 Proposed Public Access Easement over portion of Moonamang Road

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Moonamang Road
<b>AUTHOR:</b>	Kevin Hannagan, Director Infrastructure
<b>REPORTING OFFICER:</b>	Kevin Hannagan, Director Infrastructure
<b>FILE NO:</b>	RD.09.33

#### **PURPOSE**

For Council to reconsider a request from Regional development and Lands to place a public access easement over portion of Moonamang Road.

#### **BACKGROUND**

Regional Development and Lands have recommended that a public access easement be placed over a portion of Moonamang Road from the end of the newly constructed section to the Northern Territory border. This has been recommended to earmark the route for future extension of the road for future Ord Stage Three development.

Regional Development and Lands have had their lawyers draft a formal Public Access Agreement for Shire consideration.

#### **STATUTORY IMPLICATIONS**

There are statutory implications associated with this report as to change the existing status of the road to a Public Access Agreement will increase the Shires statutory requirements as far as risk and maintenance associated with the Civil Liability Act 2002.

#### **POLICY IMPLICATIONS**

No policy implications apply in the preparation of this report.

#### **FINANCIAL IMPLICATIONS**

There are financial implications associated with this item as the Shire will be required to maintain the road at a higher standard than it currently does.

#### **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

#### **COMMENT**

Shire Officers have referred the draft agreement to its lawyer who also requested that the Shire also seek comment from its Insurer. The Shire has subsequently received lengthy advice from its lawyer raising many issues for the Shire to consider.

Shire Officers have since questioned the ongoing cost of legal advice given the suggested benefits would appear to be in favour of the State Government and not the Shire. Issues raised so far are:

- An easement will pose additional and onerous maintenance and indemnity obligations on the Shire;
- An easement will not limit the Shires liability as it will increase the Shires obligations and risk;
- An easement provides no statutory limitations for liability as the current road does, as its use currently is as a public access route;
- The road future road alignment for Ord Stage Three is already identified and depicted on a deposited plan (therefore confirming the existing informal public access route); and
- The Department of Lands could establish a 'road reserve' over the existing route, therefore accomplishing the same result.

### **ATTACHMENTS**

Attachment 1 – Copy of Legal Advice from Civic Legal

### **VOTING REQUIREMENT**

Simple Majority

### **OFFICER'S RECOMMENDATION**

That Council advises Department of Lands (copy Department of Regional Development) that the Shire:

- 1) No longer proposes to consider the establishment of a public access agreement over portion of Moonamang Road, and
- 2) Request the Department of Lands to establish a 'road reserve' over the existing public access route from the newly sealed section of Moonamang Road to the Northern Territory border.

### **OFFICER'S RECOMMENDATION**

**Minute No. 10315**

**Moved: Cr K Wright**

**Seconded: Cr G King**

**That Council advises Department of Lands (copy Department of Regional Development) that the Shire:**

- 1) **No longer proposes to consider the establishment of a public access agreement over portion of Moonamang Road, and**
- 2) **Request the Department of Lands to establish a 'road reserve' over the existing public access route from the newly sealed section of Moonamang Road to the Northern Territory border.**

**Carried Unanimously 9/0**



CIVIC LEGAL

Incorporating Brett Davies Lawyers and Wojtowicz Kelly Legal

Our Ref: PJM/104311  
Your Ref:

12 February 2014

Director Infrastructure  
Shire of Wyndham East Kimberley  
PO Box 614  
KUNUNURRA WA 6743

**Attention: Kevin Hannagan**  
**Email: Kevin.Hannagan@swek.wa.gov.au**

Dear Kevin

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Level 2  
11 Mounts Bay Road  
Perth  
Western Australia 6000

PO Box 7432  
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Perth  
Western Australia 6850

DX 97 PERTH

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**PROPOSED PUBLIC ACCESS EASEMENT OVER PORTION OF SUGAR CANE ROAD  
(FORMALLY WEABER PLAIN ROAD NORTH) UNDER SECTIONS 195 AND 196 OF LAND  
ADMINISTRATION ACT 1997 (LAA)**

We refer to the above matter and your telephone conversation with Philip Mavor of our office on 11 February 2014.

You ask that we provide our opinion whether the Shire of Wyndham East Kimberley (**Shire**) would benefit from entering into and executing the Deed of Public Access Easement provided to the Shire by Kevin Emrose, Department of Lands.

We understand that:

1. The Grantee under the Public Access Easement is the Shire, and the Grantor is the State of Western Australia through the Minister for Lands;
2. The proposed public access easement route is centred on an existing undedicated road (**Road**) of gravel construction and used by the general public;
3. The Road extends from the end of the proposed dedicated Moonamang Road corridor (to be created as part of Ord Stage Two development) to the Northern Territory border;
4. The Road is on the Shire's road inventory and the Shire grades the Road two or three times a year;
5. A primary purpose of the proposed Public Access Easement is to earmark the easement route for extension of the road corridor for the future Ord Stage Three development;
6. In due course it is intended that there will be a dedicated road along (or close to) the easement route to the Northern Territory border.

We refer generally to our letter of advice to Jennifer Ninyette, Senior Planning Officer, Shire, dated 20 December 2013, and the email from Kevin Emrose, Department of Lands, to Kevin Hannagan, Director Infrastructure, Shire, dated 30 January 2014 9:43 AM.

**1. Our Opinion**

- 1.1 We note that Kevin Emrose (in his email to you dated 30 January 2014) suggests that the effect and benefits of the Shire entering into the Public Access Easement include the following:

- (a) the easement will maintain the status quo of the Shire controlling the public access to the Northern Territory along this route until the entire alignment is upgraded and dedicated to the border;
- (b) the Shire may be limiting its liability;
- (c) it will move to formalise an existing informal arrangement;
- (d) the alignment is identified and depicted on a deposited plan;
- (e) it will assist the proponent for the Knox Farm Development area in negotiation with the State and Mining Tenement holder as to the ultimate design / shape / amount of land released for agriculture in this area.

We comment on these points below

**The easement will maintain the status quo**

- 1.2 The easement will not maintain the status quo but will impose additional and onerous maintenance obligations and indemnity obligations on the Shire.
- 1.3 Currently the Shire has a broad discretion as to if, when, and to what standard it will maintain the Road. It also afforded protections under the *Civil Liability Act 2002 (Civic Liability Act)*
- 1.4 The Civil Liability Act provides some protection to local governments from its liabilities. The Civil Liability Act has provisions that:
  - (a) provide a general defence against claims arising from obvious risks, and inherent risks, as defined in that Act;
  - (b) protections against policy decisions of local government;
  - (c) by section 5Z of the Act, provides limited protection for road authorities such as a local government; and
  - (d) modify a local government's obligations at common law to exercise powers.
- 1.5 In short, it is recognised that a Shire has a limited budget and (amongst other things) is not able to maintain all its roads to the same standard, and will make policy decisions as to budget allocation. Policy decisions are decisions based substantially on financial, economic, political or social factors or constraints. If a Shire elects not to spend money on certain works because of lack of financial resources then this can be the basis for a Shire defending a claim based on the failure to act, unless the decision was so unreasonable that no reasonable public body or officer could have made it.
- 1.6 Pursuant to the Civil Liability Act a Shire responsible for carrying out road work is not liable for harm arising from a failure to carry out road work, or to consider carrying out road work, unless at the time of the failure the Shire had actual knowledge of the particular risk that caused the harm. We are happy to advise further on the Shire's liability for roads and the Civil Liability Act on the Shire's instructions to do so
- 1.7 Under the proposed Public Access Easement the Shire covenants in clause 3.2 that, at the Shire's cost, the Shire is responsible for the full maintenance care and upkeep of the Easement Area (i.e. the Road) to a standard which permits safe access along the Road. We consider this may be read to require the Shire to expend resources to keep the Road maintained to a standard that permits safe access along the road at all times, regardless of policy and competing financial obligations.
- 1.8 We consider that the Shire will have a positive obligation to maintain the Road and that it will lose its discretion as to if, when, and to what standard it will maintain the Road. This may result in the Shire having to expend considerable funds and resources in maintaining the Road.

1.9 There is also an additional issue if mine trucks use (or will use) the Road. Under clause 3.2 of the Public Access Easement the Shire is required to maintain the Road to a safe condition that permits access across the Easement Area. This may potentially be read to mean that the Shire has to maintain the Road to a standard to allow mine trucks to use the Road, or at least to repair the damage caused by such trucks to allow the general public to access the Road. Further, the Shire would be required to promptly repair any flood damage or other damage to the Road.

1.10 We suggest that the Shire consider entering into a **Road Use (Restricted Access Vehicle Haulage) Agreement** (with a road upgrade element) or similar with relevant mining companies in due course. We can advise further on this point upon the Shire's instructions to do so.

1.11 Under clause 4 of the Public Access Easement the Shire broadly indemnifies the Grantor and the Minister for Lands and their employees and agents against loss, liability, and legal claims resulting from defective work, default, or negligence by the Shire. The LGIS has reviewed this clause and has requested that it be amended or removed.

1.12 We consider that Kevin Emrose is mistaken in his view that the Public Access Easement will maintain the status quo. The easement will impose additional indemnity obligations and a positive obligation to maintain the Road to a safe condition that permits access across the Easement Area. These are additional obligations and burdens for the Shire that do not currently exist. The Shire will lose its current discretion with respect to the extent or standard of the maintenance of the Road, and may be required to expend considerable funds in meeting its maintenance obligations under the Public Access Easement.

#### **The Shire may be limiting its liability**

1.13 The Public Access Easement will not limit the liability of the Shire. In our view it increases the Shire's obligations and risk.

1.14 There are no statutory limitations for liability for a Public Access Easement. We note that under section 66 of the *Land Administration Act 1997* there is no general liability for local government, the Crown, or landholders with respect to a public access route. Members of the public that use a public access route do so entirely at their own risk. There is no similar protection for the Shire for a Public Access Easement.

1.15 As discussed above, the Public Access Easement will impose additional indemnity obligations and a positive obligation to maintain the Road to a safe condition that permits access across the Easement Area.

1.16 The Public Access Easement will impose additional obligations and risk on the Shire, not less.

#### **It will move to formalise an existing informal arrangement**

1.17 We assume this is a reference to the current status of the (undedicated) Road and the Shire's irregular and discretionary maintenance of the Road.

1.18 We see no benefit for the Shire to formalise its maintenance and other obligations with respect to the Road under the Public Access Easement, given the onerous maintenance and indemnity obligations under that document.

1.19 A dedicated road will be constructed along the proposed easement route to the Northern Territory border in due course.

#### **The alignment is identified and depicted on a deposited plan**

1.20 We see no benefit for the Shire in having the alignment of the Road being identified and depicted on a deposited plan.

1.21 The benefit will be for the State, as it will preserve and earmark the easement route for extension of the road corridor for the future Ord Stage Three development. While the benefit lies with the State the obligations, cost and risk under the easement will lie with the Shire.

**It will assist the proponent for the Knox Farm Development area in negotiation with the State and Mining Tenement holder as to the ultimate design / shape / amount of land released for agriculture in this area**

1.22 The State and the proponent for the Knox Farm Development may benefit in having the alignment of the Road identified and depicted on a deposited plan as this may determine the boundary of the new road (to be constructed) and create more certainty as to the boundaries of the land to be released for mining and agriculture.

1.23 While the Shire may benefit from such development in its district, the obligations, cost and risk under the easement will lie with the Shire. We consider the Department of Lands can establish a road reserve to accomplish the same result.

For the reasons set out above we see no material benefit to the Shire in entering into and executing the Deed of Public Access Easement. We consider the Public Access Easement will increase the Shire's liability and risk and will result in the Shire having to expend considerable funds and resources in managing and maintaining the Road.

The Department for Lands may not require that the Shire enter into the Deed of Public Access Easement. It is up to the Shire whether or not to enter into the Public Access Easement.

**We recommend** that the Shire not enter into or execute the Deed of Public Access Easement. We note that there will be a dedicated road along (or close to) the easement route to the Northern Territory border in due course.

If the Shire does decide to enter into the Deed of Public Access Easement (however we see no advantage in doing so) then we consider that there should be considerable changes to the Deed. The Department of Lands may not necessarily agree to such amendment, and in any event we would anticipate there will be the need for protracted negotiations and additional legal expenses.

We trust this advice has been of assistance. If you have any queries in this matter please do not hesitate to contact Philip Mavor of our office.

Yours faithfully



**PHILIP MAVOR**  
Senior Associate  
Email: [Philip.Mavor@civiclegal.com.au](mailto:Philip.Mavor@civiclegal.com.au)

### 13.3.4 Request to Reassign Waste Contracts, Tox Free Australia P/L

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Kevin Hannagan, Director Infrastructure Services
<b>REPORTING OFFICER:</b>	Kevin Hannagan, Director Infrastructure Services
<b>FILE NO:</b>	WM.03.1

#### **PURPOSE**

For Council to consider a request from Tox Free Australia Pty Ltd to reassign the three existing contracts:

T07, T08 & T09 of 2008/2009

for refuse collection, litter collection and street sweeping form Waste Services Australia Pty Ltd.

#### **BACKGROUND**

Council entered into three (3) contracts with Waste Services Australia Pty Ltd for various waste services for a period of up to five (5) years expiring 30 June 2014.

Tox Free Australia Pty Ltd subsequently took over Waste Services Australia Pty Ltd but continued to provide services to Council trading as Waste Services Australia Pty Ltd.

#### **STATUTORY IMPLICATIONS**

There are no statutory implications associated with this report.

#### **POLICY IMPLICATIONS**

No policy implications apply in the preparation of this report.

#### **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this item.

#### **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

#### **COMMENT**

Tox Free Australia Pty Ltd is now moving to transfer the physical operations of its business entity Waste Services Australia Pty Ltd into the Tox Free Australia Pty Ltd entity effective 1 April 2014.

Services will be provided as per the existing contract due to expire on 30 June 2014 (note Council will be considering tender responses for future services at its February, Ordinary Council Meeting).

A review of the existing contracts has identified no conditions for reassignment of the contract, as such Council may by resolution agree to reassign the contract effective for the last three months of the contracts.

### **ATTACHMENTS**

Attachment 1 – Letter from Tox Free Australia Pty Ltd.

### **VOTING REQUIREMENT**

Simple Majority

### **OFFICER'S RECOMMENDATION**

That Council advises Tox Free Australia P/L that:

- 1) It agrees to re-assigning the Waste Services Australia P/L contracts associated with Tenders T07, T08 & T09 effective 1 April 2014 until 30 June 2014, and
- 2) Any associated costs will be borne by Tox Free Australia P/L.

### **COUNCIL DECISION**

**Minute No. 10316**

**Moved: Cr K Wright**

**Seconded: Cr D Learbuch**

**That Council advises Tox Free Australia P/L that:**

- 1) **It agrees to re-assigning the Waste Services Australia P/L contracts associated with Tenders T07, T08 & T09 effective 1 April 2014 until 30 June 2014, and**
- 2) **Any associated costs will be borne by Tox Free Australia P/L.**

**Carried Unanimously 9/0**



6th January 2014

Mr Kevin Hannagan  
Director Infrastructure  
Shire of Wyndham East Kimberley  
PO Box 614  
Kununurra WA 6743

Dear Kevin

### **Group Restructure Programme**

We are writing to advise that the Tox Free Group has embarked on a Restructure Programme. Whilst it will have no impact on our operational dealings with you, it will have an impact on the names of the entities that currently hold contracts with the Shire of Wyndham and East Kimberley, and as such, those contracts may need re-assignment.

#### **Background**

The purpose of the Programme is to move the existing 28 companies currently in the Tox Group in to an advantageous and simplified corporate structure to meet current and future business needs. At the end of the Programme, the goal will be to have a corporate structure consisting of three legal entities, namely Tox Free Solutions Limited, Tox Free Australia Pty Ltd and PTES Pty Ltd, the latter being our joint venture entity in the Pilbara.

A phased approach has commenced to amalgamate our businesses in to this reduced structure, and during the next phase it is the turn of Waste Services Australia Pty Ltd. On 1 April 2014, Waste Services Australia's physical operations will be transferred in to Tox Free Australia Pty Limited, another Tox company. All physical operations will be continue to be carried on out of Tox Free Australia from that date, and all customers and suppliers will be advised in a separate mail of this change. There is no change in staff or locations of our offices. The company now known as Waste Services Australia Pty Limited, will from 1 April 2014 no longer operate and will be deregistered.

#### **Impact and Change Required**

All that is occurring from the perspective of the Shire is the name change of Waste Services Australia Pty Ltd to Tox Free Australia Pty Ltd. As Waste Services Australia Pty Limited currently has 3 contracts in place with you, it is envisaged that these contracts will need to be reassigned to the name of the new entity doing the business for you, so this letter is our request to you to have this exercise initiated so all is in order for the 1 April 2014 change.

The contract details we have that will require changing are as follows:

<u>Contract</u>	<u>Number</u>	<u>Expiry Date</u>
Roadsweeping	T08	30 June 2013
Town Tidy	T07	30 June 2013
Refuse Collection	T09	30 June 2013

Please can we request you to send to the undersigned any documentation that you require signed to have these contracts reassigned to Tox Free Australia Pty Ltd.

Your assistance in this exercise is greatly appreciated. If there is anything further you need in order to complete this, please do not hesitate to call your Tox Regional Manager, Mr Darren Edis (0477 377 695) or myself.

Yours sincerely



Nigel Collier

**Financial Controller**

24 Sangiorgio Court, Osborne Park, WA 6017

Tel: 08 6216 7000

Mob: 0407 327 086

### 13.3.5 Request for Waiver of Waste Charges

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Kevin Hannagan, Director Infrastructure Services
<b>REPORTING OFFICER:</b>	Kevin Hannagan, Director Infrastructure Services
<b>FILE NO:</b>	WM.05.2

#### **PURPOSE**

For Council to consider a request from MG Corporation for Council to waive landfill gate fees for remote aboriginal community waste.

#### **BACKGROUND**

The Shire has developed a Waste Management Strategy that has been estimated to cost the Shire \$15m - \$18m to introduce over the five (5) year time frame. Obviously the Shire does not have these funds or the capacity to borrow at this level.

As such the Shire developed a ten (10) year funding model using a 'user pays' principle. Fees have now been set using 'Whole of Life Cycle Cost' (cost of establishing, annual operating and decommissioning / rehabilitation) rather than the previous annual landfill operating cost.

It has also been identified that a large proportion of waste generators have not been paying for waste, creating a culture that waste is 'free'.

Previously 'market mechanisms' have not been used to encourage waste generators to reduce their waste footprint in accordance with the State Governments vision of 'Towards Zero Waste'.

#### **STATUTORY IMPLICATIONS**

Nil

#### **POLICY IMPLICATIONS**

No policy implications apply in the preparation of this report.

#### **FINANCIAL IMPLICATIONS**

Estimated \$25,000 per annum foregone to the Shire Waste Income budget.

#### **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

#### **COMMENT**

Council must set its fees and charges for waste as a 'service charge'. As such Council calculates those fees on a 'full' cost recovery basis. This 'service charge' is additional to rates levied.

The MG Corporation letter suggests that Council receives a subsidy in its 'General Purpose Grant' from the Federal Governments Financial Assistance Grants payment for Aboriginal communities.

The Western Australian Local Government Grants Commission administers the allocation of grants to local government.

The funding provided to local governments is allocated on the basis of horizontal equalisation, to ensure that each Local Government in the State is able to function at a standard not lower than the average standard of other local governments.

The Commission calculates the equalisation requirement of each Local Government by assessing the revenue raising capacity and expenditure need of each Local Government.

Five (5) categories (called standards) have been used to calculate revenue raising ability and six categories have been used to establish expenditure need (see below). The equalisation requirement is the difference between the assessed expenditure need and the assessed revenue raising capacity of each Local Government.

A range of disability factors have been developed by the Commission (e.g. location, population dispersion and socio economic disadvantage, indigenous), and are included in the calculation of the standards to recognise the additional costs a Local Government faces due to its physical or demographic characteristics.

The WA Local Government Grants Commission recently completed a review of the methodology used to calculate General Purpose Grants. As part of the review process, the Commission has reduced the number of disabilities from 24 to 12, electing to apply only high level disabilities. The disabilities in order of significance as determined by the Commission are as follows:

- 1) Location**
- 2) Socio Economic Disadvantage**
- 3) Growth**
- 4) Population Dispersion**
- 5) Climate**
- 6) Indigenous**
- 7) Regional Centres**
- 8) Terrain**
- 9) Off Road Drainage**
- 10) Medical**
- 11) Cyclone**
- 12) Special Needs**

It is noted that as a result of this review the Shire's general grant has been reduced over the last two (2) years cumulating to a reduction in grant of approximately \$638,000 per annum.

In applying the Grants Commission formulae one needs to be aware of how disabilities are applied to Revenue and Expenditure.

### Revenue Standards

Revenue Standards are mathematical formulae used to assess the revenue earning capacity of each Local Government.

The Commission uses the following Revenue Standards:

- Residential / Commercial / Industrial Rates;
- Agricultural Rates;
- Pastoral Rates;
- Mining Rates; and
- Investment Income.

There are no disabilities applied to the Revenue Standards. Nor do the communities that the MG Corporation Letter refers to pay rates.

### Expenditure Standards

The Commonwealth legislation requires that the differences in expenditure for local governments across the State are taken into account. The expenditure standards are mathematical formulae used to assess the expenditure need of each local government. The Commission uses the following expenditure standards:

- Community Amenities;
- Education, Health and Welfare;
- Governance;
- Law, Order and Public Safety;
- Recreation and Culture;
- Transport.

The expenditure standard relevant to waste services is Community Amenities. This Standard includes expenditure and income associated with:

- Administration, inspection, support, operation etc., of town planning and regional development services. These include the preparation of town planning development schemes, zoning and rezoning either by consultants or local government staff, the purchase and resumption of land for public open space, community facilities etc., and any other expenditure incurred by a local government with respect to such activities.
- Excluded are town planning development schemes where the owners of land within particular schemes are responsible, on a contributory basis, for land development costs incurred by local governments in the scheme areas.
- Lining and barrelling of creeks, provision of open and deep drainage systems, flood mitigation works, such as construction and maintenance of levee banks, dredging of rivers and diversion channels. Drainage associated with road works is excluded from this classification as it is included in the asset presentation model.
- Beach restoration, foreshore protection, removal of dead animals, debris, abandoned vehicles and other environmental programmes.
- Household Sanitation, Administration and operation of general refuse collection and disposal services.
- Other Sanitation, Operation of sanitary services other than for general refuse collection and disposal services.

Disability factors which apply to this classification are:

- Location
- Growth
- Socio Economic Disadvantage
- Population Dispersion
- Regional Centres
- Off Road Drainage Allowance; and
- Special Needs.

The disability factor for 'Indigenous' is not applied to this standard. It is acknowledged there may be some disability factor for Indigenous people within the Socio Economic Disadvantage factor, however, it must be noted that there are other sectors of the Shire's community who would also be represented in the Socio Economic Disadvantage factor that pay rates and waste services.

The Indigenous disability factor recognises the additional costs incurred by a Local Government with above average indigenous population. The 2013 / 2014 Shire General Grant contains an amount of \$308,547 for the total additional costs incurred in relation to provision of services to the Shire's Indigenous population.

As previously mentioned no Indigenous disability factor is applied to waste services, nor do these communities pay rates. As such the MG Corporation suggestion that the Shire should waive gate fees for community waste as it receives a disability factor for Indigenous is not supported by an analysis of the actual application of the Grant Commissions' funding formulae.

## **ATTACHMENTS**

Attachment 1 – Letter from MG Corporation

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council replies to MG Corporation advising that:

- 1) The Shire has undertaken an analysis of the Grant Commission's funding formulae;
- 2) The Shire receives no 'indigenous disability factor' funding in relation to waste services; and
- 3) The Shire's fees and charges in relation to waste services are based on 'user pays principals' and 'market mechanisms' to encourage waste generators to reduce their waste footprint in accordance with the State Government's vision of 'Towards Zero Waste'.

**COUNCIL DECISION**

**Minute No. 10317**

**Moved: Cr B Robinson**

**Seconded: Cr S Cooke**

**That Council replies to MG Corporation advising that:**

- 1) The Shire has undertaken an analysis of the Grant Commission's funding formulae;**
- 2) The Shire receives no 'indigenous disability factor' funding in relation to waste services; and**
- 3) The Shire's fees and charges in relation to waste services are based on 'user pays principals' and 'market mechanisms' to encourage waste generators to reduce their waste footprint in accordance with the State Government's vision of 'Towards Zero Waste'.**

**Carried Unanimously 9/0**

*Achieving a healthy, wealthy  
and culturally strong MG  
Community*

Yawoorroong Miriuwung Gajerrong Yirrgb  
Noong Dawang Aboriginal Corporation  
(MG Corp) ABN 79 270 210 553  
12 Bluegrass Ave, (08) 9166 4832  
P.O. Box 2110, Kununurra, W.A. 6743  
[www.mgcorp.com.au](http://www.mgcorp.com.au)

Mr Gary Gaffney  
Chief Executive Officer  
Shire of Wyndham East Kimberley  
PO Box 614  
Kununurra WA 6743

27<sup>th</sup> November 2013

Dear Gary,

Domestic Waste Disposal for Miriuwung Gajerrong member communities in SWEK landfill facilities

I refer to our recent discussions concerning the introduction of fees for the disposal of domestic waste at SWEK landfill site facilities. I am writing to ask the Shire to reconsider its position of "no exceptions" to these charges.

We have contacted staff from the Indigenous Affairs Group of the Department of Prime Minister and Cabinet and while they support Miriuwung Gajerrong communities through services contracted to KRSP, under the current government review of spending, they do not have funding to cover the additional cost these fees have imposed on service provision.

We acknowledge that these outstation communities do not pay rates that would contribute toward the usual costs for waste disposal. However, we are aware that the Shire of Wyndham-East Kimberley receives significant Local Government Grants Commission funding which is weighted for various disability factors. While we are not aware of which of the disability factors have been applied to SWEK, one factor that is most likely to have been applied is the proportion of Indigenous population. Another factor that could be linked to the Indigenous population to some degree is socio-economic disadvantage that may also have been applied.

As you are aware, residents in these communities are on low incomes and while they often contribute to community funds toward utilities, an additional contribution toward domestic waste disposal would be a further financial burden on already disadvantaged people. In addition to this, even if residents of the outstations were in a position to contribute toward the cost of domestic waste disposal, there are no mechanisms in place for the collection of any contributions from communities.

MG Corp's mission is to improve the social, cultural and economic well-being of the Miriuwung Gajerrong people. However we are not in a position to be able to pay the additional cost relating to the use of the Shire's tip facility, a cost which we estimate to be in the vicinity of \$25,000 per annum.



With this in mind, we respectfully request that the rubbish tip charges be waived, and that this should apply instead as part of the Shire's Local Government Grants Commission funding weighted in favour of disadvantaged Indigenous groups.

Thank you for your consideration on this matter and we look forward to a favourable response.

Yours faithfully,



**John Hughes**  
CEO  
MG Corporation

Cc Indigenous Coordination Centre, Kununurra

### 13.3.6 Request for waiver of Waste Fees and Charges

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Kevin Hannagan, Director Infrastructure
<b>REPORTING OFFICER:</b>	Kevin Hannagan, Director Infrastructure
<b>FILE NO:</b>	WM.05.2

#### **PURPOSE**

For Council to consider a request from state government agency, Corrective Services, Wyndham for waiver of Council's Waste, Fees and Charges for community projects.

#### **BACKGROUND**

The Wyndham Landfill is now manned and Waste Fees and Charges are charged at the gate. Previously the landfill was unmanned and open from daylight till dusk with 'free' tipping of anything.

This has posed significant liability and cost issues for the Shire. Waste including demolition of houses and items deposited that are not in accordance with Councils licence conditions (e.g. asbestos) have been deposited at the landfill. Council has incurred significant costs for removal of asbestos, wrapping and transport to Kununurra, where asbestos is accepted. The Shire has previously incurred a \$20,000 clean-up cost for several government department houses which were demolished and tipped 'for free' with the Shire paying for the resultant clean up.

The Wyndham Work Camp has provided a 'community service' using workers from the Camp, attached (Attachment 1) is copy of email from Correction services outlining the services provided in Wyndham and Kununurra.

Also attached (Attachment 2) is copy of email from the Director Infrastructure suggesting that the beneficiaries of the 'free tipping' are mainly government departments and community groups. Whilst it is acknowledged there is some service provided at Shire facilities in Wyndham, there is little benefit to the Shire in Kununurra.

As such the Director has suggested they consider adding litter clean-up at Lions Park and Boat Ramp area and Swim Beach. Response has now been received that the Wyndham Work Camp will add Swim Beach and Lions Park to the list but they advise litter clean-up will only be done on days when there are not anti-social and alcohol consumption issues at these locations.

There are other locations that Council may consider to be added e.g. Link Path and Livistonia Street, Lakeside.

#### **STATUTORY IMPLICATIONS**

There are no statutory implications associated with this report.

#### **POLICY IMPLICATIONS**

Council needs to ensure that it does not create 'precedent' Policy implications.

## **FINANCIAL IMPLICATIONS**

The Wyndham Work Camp does not currently pay waste charges to the Shire or Private Contractor. As such it is presumed that all waste (including residents of the correctional facility's domestic waste) has previously been tipped for free at the landfill.

## **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

## **COMMENT**

The Director Infrastructure has checked with its waste contractor and the Work Camp does not have a Sulo or Skip bin pick-up nor do they pay any waste fees to the Shire for waste generated at the facility.

The Shire needs to ensure that the state government waste from the Work Camp will not be deposited with the 'community service' generated waste if Council agrees to a fee waiver, (to ensure the work camp will not continue to deposit waste for free that other ratepayers will subsidise to process). The Director has attempted to discuss this matter with Correctional Services but has not received a response.

The Shire would also need to monitor actual litter clean-ups to ensure that it is receiving the service offered for waiver of fees.

## **ATTACHMENTS**

Attachment 1 – Email from Correctional Services

Attachment 2 – Email from Director Infrastructure

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council advises Department of Correctional Services that:

- 1) Waste collected as part of the department's 'community service' programs can be deposited at the Kununurra and Wyndham landfills at no charge, and
- 2) Waste generated by activities from the correctional facility will be charged in accordance with Council's schedule of Fees and Charges.
- 3) A quarterly report of "Community Service" Programs undertaken to be provided to the Shire.

**COUNCIL DECISION**

**Minute No. 10318**

**Moved: Cr K Wright**

**Seconded: Cr D Learbuch**

**That Council advises Department of Correctional Services that:**

- 1) Waste collected as part of the department's 'community service' programs can be deposited at the Kununurra and Wyndham landfills at no charge, and**
- 2) Waste generated by activities from the correctional facility will be charged in accordance with Council's schedule of Fees and Charges.**
- 3) A quarterly report of "Community Service" Programs undertaken to be provided to the Shire.**

**Carried Unanimously 9/0**

## Attachment 1: Email from Corrective Services

**From:** "Quinn, Adam" <[Adam.Quinn@correctiveservices.wa.gov.au](mailto:Adam.Quinn@correctiveservices.wa.gov.au)>

**To:** "Michael Snowball" <[Michael.Snowball@swek.wa.gov.au](mailto:Michael.Snowball@swek.wa.gov.au)>

**Subject:** RE: Tip Fees

Morning Mike,

In addition to the list provided.

Kununurra.

FESA Kununurra

St Johns Kununurra

DEC, Removal of noxious weeds and trees. Kununurra Wyndham

St Joseph's Kununurra Fire reduction and noxious tree removal.

Kununurra Motocross, Fire reduction and removal of noxious weeds and trees.

Community House, Gardening.

Kununurra Turf Club. Set up for the race round and removal of rubbish, mowing and general gardening.

Kimberley Moon Festival mowing and rubbish removal.

Barramundi Concert, Mowing and rubbish removal.

Wunan House Remove rubbish and gardening.

St Joseph's Cuch Kununurra Gardening and rubbish removal.

Pensioners requiring assistance with Gardens.

Wyndham,

Grotto Rubbish removal and mowing.

Telegraph Hill - Bird sanctuary Remove rubbish and mowing.

All Wyndham Cemeteries including heritage. Mowing & rubbish removal.

Road side rubbish collection.

St Johns Wyndham mowing and rubbish removal.

Pensioner's gardens.

Wyndham Turf Club. Mowing and rubbish removal.

Town Swimming Pool Mowing and rubbish removal.

Rec Centre Rubbish removal.

Picture Gardens Mowing and rubbish removal.

Sports Club Mowing removal of rubbish indoor Cricket.

Town Ovals rubbish removal after events.

Bastion 5 rivers, Rubbish removal after events.

Police Station Mowing and rubbish removal.

Hospital Mowing and Rubbish removal.

FESA Mowing and rubbish removal.

I am sure there are more; we basically assist the majority of non for profit organisations and within Kununurra and Wyndham.

Regards,

Adam Quinn

Senior Officer

Wyndham Work Camp

Adult Custodial Services

Department of Corrective Services

Telephone:91612880, Facsimile: 91612881

Mobile:0427447694

[www.correctiveservices.wa.gov.au](http://www.correctiveservices.wa.gov.au)<<http://www.correctiveservices.wa.gov.au>>

## Attachment 2: Email from Director Infrastructure

**From:** Kevin Hannagan  
**Sent:** Monday, 21 October 2013 3:51 PM  
**To:** Adam.Quinn@correctiveservices.wa.gov.au; Michael Snowball  
**Cc:** John Gault (John.Gault@swек.wa.gov.au)  
**Subject:** Wyndham work camp

Adam

I refer your emails to Mike.

I have had a look at the list of projects the Wyndham Work Camp is involved in.

There are a lot of 'groups' here and State Agencies (Police / Hospital) but they are all benefitting by not paying for the rubbish fees.

In Wyndham I could argue that the Shire is also getting a benefit because you also do works on Shire areas.

But in Kununurra there is no benefit for the Shire who is receiving all these other groups and State Government agencies waste at its Kununurra landfill.

If you would consider adding Swim Beach and Lions Park to the Kununurra list I will recommend to Council not to charge fees to the Work Camp at both locations.

Could you please confirm your acceptance and contact John Gault, Manager Depots at above email who can give you better location details if you are not already familiar.

Regards

Kevin Hannagan

Director Infrastructure

SHIRE o f WYNDHAM | EAST KIMBERLEY

20 Coolibah Drive, PO Box 614 Kununurra WA 6743 | T: (08) 9168 4100 | F: (08) 9168 1798 | [www.swек.wa.gov.au](http://www.swек.wa.gov.au)

## 13.4 COMMUNITY DEVELOPMENT

### 13.4.1 Development Application for a Change of Use – Private Recreation (Dance Studio) at Lot 10 Bandicoot Drive, Kununurra

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Kathryn Keefe
<b>LOCATION:</b>	Lot 10 Bandicoot Drive, Kununurra
<b>AUTHOR:</b>	Elle Davidson, Planning Officer
<b>REPORTING OFFICER:</b>	Nick Kearns, Director Community Development
<b>FILE NO:</b>	A7536P

#### PURPOSE

For Council to consider a development application for a Change of Use – Private Recreation (Dance Studio) at Lot 10 Bandicoot Drive, Kununurra.

#### BACKGROUND

An application for planning approval was lodged on 24 January 2014 by Kathryn Keefe for a Change of Use – Private Recreation (Dance Studio) at Lot 10 Bandicoot Drive, Kununurra.

The property is located on Bandicoot Drive and has an area of 2,868m<sup>2</sup>. The land is zoned Mixed Business under *Town Planning Scheme No. 7 – Kununurra and Environs (TPS7)*.

The property contains an existing Showroom and extension being utilised by Office National, an approved caretakers dwelling and an additional Light Industrial Shed. Eight parking bays associated with Office National are provided at the front of the property.



Location of Property

## *Proposal*

The applicant proposes to change the use of the vacant Light Industrial shed to Private Recreation (Dance Studio) for the purpose of leasing the property to Amanda Doyle from Addicted to Dance. The approved shed spans 21 metres x 10 metres and features an ablution, kitchenette and office. Should the change of use be supported, the applicant proposes to retrofit the building to be more suitable for a dance studio by installing a false ceiling, insulation, partition wall and appropriate wooden flooring.

Seven additional parking bays would be located at the rear of the shed for the purpose of providing parking for staff associated with the dance studio. The applicant proposes to arrange a drop off zone for students at the rear of the property, which will be appropriately signed. Parking will be managed through appropriate signage to indicate the drop off area. Parents of children are not encouraged to watch the classes and therefore will be simply dropping off and picking up children.

Office National currently operates between 8am – 5pm Monday to Friday and 9am – 12pm on Saturday and therefore with dance classes starting at 2.30pm only a small window of common trade will overlap. The applicant has requested that all delivery and unloading associated with Office National occur in the morning to limit any conflict with parking at the rear of the property but this will be a private arrangement between the parties. The businesses will generally operate autonomously from one another however will work with each other to ensure any issues that arise are dealt with in a reasonable and timely manner. The caretaker of the property has been informed about the proposed operations.

Loud music is an issue usually associated with dance studios and therefore the applicant has proposed to insulate the shed and install a ceiling that will absorb noise. As noted by the applicant, the Mixed Business zone usually only has caretakers and any later classes would be held within the middle studio to limit music travelling and creating an issue, with the latest class finishing at 8.30pm.

## **STATUTORY IMPLICATIONS**

### *Town Planning Scheme No. 7 – Kununurra and Environs*

The land at Lot 10 Bandicoot Drive is zoned Mixed Business under TPS7. The objectives of this zone are:

- a) *To encourage the establishment of predominantly showrooms related to manufacturing on-site and service industry and/or service trade centres;*
- b) *To only permit the establishment of a caretakers dwelling if such dwelling is considered necessary by Council for operational and security purposes of the business already established on-site.*

A wide range of uses are found within the Mixed Business zone and this area includes properties that feature large floor spaces.

The proposed use is AA and therefore is a land use that requires Council's discretion.

There are no specific parking requirements for a dance studio, however it is considered that requirements for child-minding/kindergarten may be appropriate and would match expected traffic generation. This would then require one bay per every four persons attending. A safe pick up and set down area would also be required. In total ten parking spaces are considered required.

### **POLICY IMPLICATIONS**

No policy implications apply in the preparation of this report.

### **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this item.

### **STRATEGIC IMPLICATIONS**

There are no strategic implications associated with this report.

### **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

### **COMMENT**

The applicant has outlined that Private Recreation is an appropriate definition for a dance studio as it provides a recreational activity to the community with an associated fee. Dance schools generally operate from mixed business/light industrial zones due to the required large floor spaces, adequate drop off facilities and to ensure compatibility with adjoining uses in regard to noise.

Seven parking spaces are proposed for the rear of the property, which will adequately provide for two teachers and 5 additional bays for parents. This is a concession sought by the applicant as under *Table 2 - TPS7* 10 spaces may be required; however it has been justified that parking spaces will be limited to ensure that the drop off zone is appropriately provided. It is important to differentiate that the proposed dance studio will not require parental escorts within the building and simply a drop off area is to be provided.

The use is compatible with regard to noise, as there are no residences in close proximity or any other similar use where noise would be an issue of concern.

The proposed Change of Use will not detrimentally affect the current uses of the site and the proposal addresses parking and noise constraints. Shire Officers believe the Mixed Business Zone is an appropriate area for Private Recreation – Dance Studio as it provides sufficient floor space and parking facilities.

It is recommended that the application be approved subject to conditions.

### **ATTACHMENTS**

Attachment 1 – Proposed plans and submission

### **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council grants planning consent for a Change of Use – Private Recreation at Lot 10 Bandicoot Drive, Kununurra, subject to the following conditions:

- 1) Development shall be in accordance with the attached approved plan(s) and subject to any modifications required as a consequence of any condition(s) of this approval. The endorsed plans shall not be modified or altered without the prior written approval of the local government.
- 2) Any further change of use requires approval of the Shire.
- 3) Adequate lighting is required at the rear of the property to ensure safe ingress and egress of traffic and pedestrians.
- 4) The provision of 7 parking bays. These bays are to be constructed to a minimum compact gravel standard, clearly indicated and to be maintained to the satisfaction of the local government.
- 5) The approved drop-off and parking areas must be well signed and managed to the satisfaction of the local government.

## **COUNCIL DECISION**

**Minute No. 10319**

**Moved: Cr G King**

**Seconded: Cr S Cooke**

**That Council grants planning consent for a Change of Use – Private Recreation at Lot 10 Bandicoot Drive, Kununurra, subject to the following conditions:**

- 1) **Development shall be in accordance with the attached approved plan(s) and subject to any modifications required as a consequence of any condition(s) of this approval. The endorsed plans shall not be modified or altered without the prior written approval of the local government.**
- 2) **Any further change of use requires approval of the Shire.**
- 3) **Adequate lighting is required at the rear of the property to ensure safe ingress and egress of traffic and pedestrians.**
- 4) **The provision of 7 parking bays. These bays are to be constructed to a minimum compact gravel standard, clearly indicated and to be maintained to the satisfaction of the local government.**
- 5) **The approved drop-off and parking areas must be well signed and managed to the satisfaction of the local government.**

**Carried Unanimously 9/0**



**Application for Proposed Change of Use – Rear Shed – 53 Bandicoot Drive Kununurra  
Submitted as Additional Information to Support the Planning Approval Application**

The current proposal is to convert the Industrial Workshop/Shed at the Rear of 53 Bandicoot Drive into a Dancing Studio to offer a single purpose dancing school to the community of Kununurra. The property, owned by Ashley and Kathryn Keeffe, will be leased to Amanda Doyle who is currently running an existing dancing school out of an alternative premises which is not ideal.

We are applying for the Proposed Change of Use of the Shed from Light Industrial to Recreation Private under the Shire of Wyndham-East Kimberley Town Planning Scheme No. 7 Kununurra & Environs. We believe the Dancing School would fit under this Use as it a recreational activity which is provided to the community with a fee for service as it an activity that the local people will pursue for recreation and the classes are not open to the public without charge.

We believe this use would fit into the zone as it is a business that requires a large floor area which is more readily available and affordable in the light industrial area. The dancing school also requires an adequate amount of land to facilitate the drop-off/pick-up traffic and there is some music noise associated with the business which, although not significant is better suited in an industrial rather than retail or tourist environment where it may have more impact.

The lessors are prepared to invest money into the property to install air-conditioning, install a false ceiling and a dividing partition to create two studio rooms. The lessee will install a wooden floor appropriate for dance classes to the studios.

We believe the dancing school would fit within the “Mixed business” zoning in Bandicoot Drive. This type of location is ideal for the lessee as it provides a large space for a reasonable rental and has suitable pick-up/drop-off area and sufficient area available for parking. It would not be detrimental to surrounding businesses which are of the retail/light industrial nature.

We have also considered the following aspects with regard to the impact of a dancing school in the area including:

- The interaction with the current business “Office National Kununurra” that occupies the front of the Lot.
- Safe and adequate parking and drop-off zones to accommodate the dancing school.
- Management of noise from the dancing school with regard to adjacent properties.

**1. INTERACTION WITH CURRENT BUSINESS**

Office National Kununurra operates a retail office supplies store in the building at the front of Lot 10, 53 Bandicoot Drive. The business has been operating from these premises since 2007. All parking for this business is at the front of the building and so customer traffic for the business will not impact on the dance school.

The hours of operation for Office National are 8am to 5pm Monday to Friday and 9am to 12 pm on Saturday. As evidenced by the timetable of the dance school attached, lessons will commence at 2.30. As a result there will only be a few hours of common trade per day in the afternoon. If at some stage in the future the dance studio offers morning lessons, Office

National, owned by the lessor, will ensure that the businesses adapt to the circumstances as required.

Delivery and unloading of stock for Office National is at the rear of the store into a warehouse. As can be seen from the attached diagram and photograph there is a large area at the rear of the shed to enable vehicles to pull in without being an intrusion on the Dancing School traffic. However to minimise risk with regard to delivery drivers we have requested from our freight companies that freight be delivered in the morning once the school commences to which they have agreed. Signage will also be erected as vehicles enter the rear of the building setting a slow speed limit and ensuring caution is taken.

The businesses will operate autonomously from one another however will work with each other to ensure any issues that may arise are dealt with in a reasonable and timely manner.

## **2. PARKING**

Amanda (the lessee) and the lessor have discussed the operational considerations for the dance school with regards to traffic flow. Amanda advised that she discourages parents from watching their children in the dance classes and all children are dropped off at the beginning and picked up at the end of their lesson. On this basis a combination of permanent parking and a drop-off zone is considered the best option and the attached site plan indicates our intentions in this regard. Classes will average 10-15 students.

## **3. MANAGEMENT OF NOISE WITH REGARD TO ADJACANT PROPERTIES**

Music is an integral part of the dancing school and as such we are aware that this may have an impact on adjacent buildings. The dancing studio will be insulated and have a ceiling to absorb noise. The benefit of being in a light industrial area is that there are few residences in the area and those that are there on a caretaker basis. The latest class is 8.30 so all music will be finish by this time and will be in the middle studio which creates an additional buffer for the music. We do not foresee that this will be an issue.

We believe the shed at the rear of 53 Bandicoot Drive is an ideal space for the dancing studio. Several factors including the lessors willingness to customise the building into a studio, the location central to town, and the lessee's enthusiasm and initiative to offer classes to the Kununurra community in a her own studio indicate that this has the potential to be a successful business offering an opportunity to young people in the community to keep fit and active and be involved in community events. The Kununurra community have shown that they are keen for this business to grow as the dance school's student numbers nearly doubled in the last half of 2013.

### 13.4.2 Proposed Council Policy – Trading in public places

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Elle Davidson, Planning Officer
<b>REPORTING OFFICER:</b>	Nick Kearns, Director Community Development
<b>FILE NO:</b>	43.02.01

#### **PURPOSE**

For Council to adopt a new Council policy relating to trading in public places.

#### **BACKGROUND**

At the November 2013 OCM, Council endorsed a draft policy relating to trading in public places for advertising purposes with some minor changes.

The draft policy has since been advertised, and two submissions were received. The policy is now proposed to be reported to the February OCM for adoption. As a result of the two submissions, no changes have been made.

At the February 2014 Council Briefing Session, it was suggested that the hours of trading be limited to 8am-6pm within residential areas. Further, trading at Celebrity Tree Park and Swim Beach will be permitted between 6am-6pm. These changes have been amended in the draft Trading in Public Places policy.

A copy of the proposed Draft Policy as advertised is included in Attachment 1.

#### **STATUTORY IMPLICATIONS**

The Council are authorised to develop policy under section 2.7(2)(b) of the *Local Government Act 1995*. Further, under section 6.5 of the *Thoroughfares and Public Places Local Law 2005*:

*Policy means the policy of the Shire adopted by the Council containing conditions subject to which an application may be approved.*

#### **POLICY IMPLICATIONS**

By adopting this draft Council Policy Shire Officers will be guided in making decisions relating to applications to trade on public places managed by the Shire. Assessment processes will be made transparent for applicants and permissible trading operations will be defined.

#### **FINANCIAL IMPLICATIONS**

Fees similar to Home Based Businesses will be applied to any applications received in the current 2013/14 financial year. As part of the proposed Local Laws review, applicable fees will be investigated and adopted by Council.

## **STRATEGIC IMPLICATIONS**

There are no strategic implications associated with this report.

## **COMMUNITY CONSULTATION**

Under the *Thoroughfares and Public Places Local Law 2005* there is no requirement to advertise a policy for public comment, Council's resolution of 18 November 2013 was to advertise the policy for a period of 21 days. Advertising was undertaken between 16 January and 6 February 2014. During this period two submissions were lodged regarding the proposed draft Policy and the following matters were raised:

<i>Submission</i>	<i>Response</i>
Issues relating to allowing business competition between traders and established premises by imposing 300m condition.	The Shire is responsible for ensuring that local businesses are protected and therefore the traders are not permitted to trade within 300 metres of existing conflicting businesses.
The draft policy will not allow for businesses to trade at the markets.	Traders are permitted to operate at approved events, for example, the Kununurra markets, Ord Valley Muster events under the banner of the event organiser.

## **COMMENT**

The draft Policy has been developed in accordance with section 2.7(2)(b) of the *Local Government Act 1995* and section 6.5 of the *Thoroughfares and Public Places Local Law 2005*.

The draft policy will provide a usable process for applying for a traders permit within the Shire and establish clear guidelines for the Shire's expectations for trading in public places. It aims to encourage a high standard of service delivery whilst supporting local economic development.

Requirements for the lodgement of applications have been determined and limitations for approvals are clearly outlined for those interested in trading in public places. It is imperative that the Shire establish conditions for trading to ensure the assessment and approval of applications is fair and equitable.

Conditions relating to trading in public places include the protection of public safety, provision of parking, preservation of public amenity, specific locations for trading, limitation in trading times, control of products offered and the ability of the applicant to provide their own services.

This Draft Policy has been developed to guide the assessment of traders permit applications and to ensure that the use of public places is managed appropriately. Impacts of trading relating to traffic hazards, commercial competition and management of amenity have been considered in the development of the Draft Policy.

Fees similar to Home Based Businesses will be applied to any applications received in the current 2013/14 financial year. As part of the proposed Local Laws review, applicable fees will be investigated and adopted by Council.

It is recommended that the policy be adopted by Council.

## **ATTACHMENTS**

Attachment 1 – Draft Development Control Policy

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council

- 1) Adopts the new Trading in Public Places policy with the amended timeframes for trading.
- 2) Directs Shire Officers to notify interested parties and submitters of the new adopted policy.

## **COUNCIL DECISION**

**Minute No. 10320**

**Moved: Cr S Cooke**

**Seconded: Cr B Robinson**

**That Council**

- 1) **Adopts the new Trading in Public Places policy with the amended timeframes for trading.**
- 2) **Directs Shire Officers to notify interested parties and submitters of the new adopted policy.**

**Carried 5/4**

**For: Cr J Moulden, Cr D Learbuch, Cr B Robinson, Cr S Cooke, Cr G Taylor**

**Against: Cr G King, Cr R Dessert, Cr K Wright, Cr D Spackman**



## **Council Policy Number Trading in public places**

### **OBJECTIVE:**

#### *Statement of intent*

The objective of this policy is to manage the activities of traders on land managed by the Shire. This is to ensure that appropriate types of traders are permitted in suitable locations and the management of permits is fair and equitable.

### **POLICY:**

#### *Scope & Limitations*

Under the *Thoroughfares and Public Places Local Law 2005* traders are able to apply for a permit to trade within the Shire. This policy has been developed to ensure that applications for trading permits are assessed against set guidelines and standard conditions are placed upon all approvals. Traders permits are only issued when the proposed location is on land that is managed by the Shire.

People wishing to trade on private property will need separate planning approval from the Shire.

#### *Background*

Guidelines for assessing and approving traders permits are required to ensure that trading takes place in a manner that does not affect the amenity and primary purpose of public places.

This policy aims to encourage a high standard of service delivery to our local community and visitors whilst supporting local economic development and commercial viability.

#### *Guiding Statement*

### **1. APPLICATION REQUIREMENTS**

Applications must be in writing and be accompanied by:

- Details of goods/merchandise and or services to be offered.
- Details of vehicle or stall intended to be used for trading including a photograph of the vehicle (such vehicle may be subject to assessment in order to determine its suitability for the purpose proposed).
- Specific details of area(s) or route (including site plans).
- Times, days and dates sought.
- Evidence of public liability insurance.

## 2. STANDARD LIMITATIONS AND CONDITIONS

### *Location*

- Traders are only permitted to operate in locations approved by the Shire.
- No trading is permitted within 200m of schools, between the hours of 8am and 3pm including adjoining streets (except during school holidays).
- The permit holder is limited to supply products and services approved by the Shire.
- Approvals will generally not be given on sites within 300 metres of permanent businesses that sell or offer the same or similar product or service.

### *Timeframes*

- Trading may take place between 8am – 6pm in town areas including residential areas.
- Trading may take place between 6am-6pm at Celebrity Tree Park and Swim Beach.
- Traders operating from a mobile van shall not stop at any one location longer than 15 minutes and are to move on when all customers at a particular location have been satisfied.

### *Operations*

- Where food is proposed to be sold, the vehicle, stall or place of trading must notify/register with the Shire in accordance with the Food Act 2008.
- The permit holder must ensure that the area is kept clean and tidy at all times. It is the licensee's responsibility to remove all litter associated with their operations.
- Food vehicles are not permitted to set up or provide external tables or chairs for customers.
- The permit holder must maintain a minimum of \$10 million Public Liability insurance.
- Traders must provide their own power and water.
- All advertising must be affixed to the vehicle or stall.
- Trading must not impede traffic flow or cause a traffic hazard or pose a danger to the safety of the general public.

## 3. TRADING ON PUBLIC LAND

Council does not generally allow trading on reserves in excess of 15 minutes except for during approved events. An application to trade on public land managed by Council may be considered should all the standard limitations and conditions be satisfied and subject to the following:

- The land must be readily and safely accessible to customers.

- Adequate parking is available.
- The activity will not interfere with the overall public enjoyment of the area, the facilitation of approved businesses or authorised events, including to occupy public parking.
- The Shire will approve a specific location for trading.
- Approval periods for stall holders generally restricted to a maximum of 3 days per week with no more than 3 consecutive days of operation at one time.
- Traders are not permitted to operate for more than 4 hours in any one location each day.
- Trading will be strictly limited to the sale of food and drink.
- The following assessment criteria will guide selection:
  - Offering a range of food products.
  - Ability to provide own power and water supply.
  - Appropriate waste management plan.

### Outcomes

The guidelines for trading in public places managed by the Shire have been developed to ensure that the use of Shire land is appropriate and regulated.

### GOVERNANCE REFERENCES

<b>Statutory Compliance</b>	<i>Thoroughfares and Public Places Local Law 2005 Food Act 2008</i>
<b>Industry Compliance</b>	<i>Eg: Building Codes</i>
<b>Organisational Compliance</b>	<i>Eg: Delegations Manual</i>
<b>Process Links</b>	<i>Eg: Administrative Policy, work instructions</i>

### POLICY ADMINISTRATION

<b>Directorate</b>		<b>Officer Title</b>		<b>Contact:</b>	
<i>Community Development</i>		<i>Planning Officer</i>		Ext: 177	
<b>Date Effective</b>	DD/MM/YYYY	<b>CEO Approved</b>			
<b>Date Adopted</b>	DD/MM/YYYY	<b>Last Reviewed</b>		DD/MM/YYYY	
<b>Risk Rating</b>	Medium	<b>Review Cycle</b>	Annual	<b>Next Due</b>	MM/YYYY
<b>Organisational Compliance</b>	<i>Eg: Delegations Manual</i>				
<b>Process Links</b>	<i>Eg: Administrative Policy, Council Policy</i>				

### 13.4.3 Lot 509, Commercial Boating Facility, Kununurra

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Lot 509, Commercial Boating Facility, Kununurra
<b>AUTHOR:</b>	Jennifer Ninyette, Senior Planning Officer
<b>REPORTING OFFICER:</b>	Nick Kearns, Director Community Development
<b>FILE NO:</b>	LP.02.6

#### **PURPOSE**

For Council to consider the disposal (lease) of Lot 509, Foreshore Reserve, Portion of Reserve 50467, Kununurra, otherwise known as Lot 509 of the Commercial Boat Facility.

#### **BACKGROUND**

Lots 505, 506 and 508 of the Commercial Boating Facility are currently leased to Kimberley Air tours, Triple J Tours and the BBQ Boat respectively. Lot 509 was previously leased to Alligator Airways but following administration of this company the lot is now vacant and unoccupied (see Attachment 1).

Over the past year there have been a number of verbal enquiries about the potential to operate houseboats and other marine based tourism ventures from Lot 509. It is also noted that there were 4 submission received when expressions of interest were called for Lot 505 of the Commercial Boating Facility in 2011.

It is therefore considered that an Expression of Interest for medium to long term use of the site should be initiated in light of the time it will take to scope for Stage 2 of the Commercial Boating Facility, and the interest received from existing and potential operators.

#### **STATUTORY IMPLICATIONS**

The *Local Government Act 1995* and Section 18 of the *Land Administration Act 1997* are applicable to any lease arrangements (disposal of land), or advertising associated with this item.

#### **POLICY IMPLICATIONS**

No policy implications apply in the preparation of this report.

#### **FINANCIAL IMPLICATIONS**

Lease fees for the other Commercial Boating Facility lots are \$7 or \$8 per square metre, based on valuations in 2008 and 2011 respectively. Lot 509 covers an area of 2143m<sup>2</sup> at the same rate would equate to an annual lease fee of \$15,000 - \$17,000.

Section 3.58 of the *Local Government Act 1995* requires that the land valuation is to be no more than 6 months old or for Council to believe an older valuation to be a true indication of the value at the time of the disposition.

## **STRATEGIC IMPLICATIONS**

This project aligns to the Strategic Community Plan 2012-2022. In particular this project addresses the following strategy:

2.2.4 Enhance and expand tourism opportunities in the east Kimberley and improve access to significant tourism destinations.

## **COMMUNITY CONSULTATION**

If Council proceeds with an expression of interest for this site, advertising will be undertaken in accordance with the *Local Government Act 1995*. The expression of interest process will inform the community of the Shire's intent to lease the land. Public advertising, with the opportunity to appeal the decision, will occur once the successful applicant, lease term and proposed rental is known.

## **COMMENT**

Calling for expression of interests for a medium term to long lease would allow the site to be utilised by existing or proposed tourist operators while further staging of the Commercial Boating Facility is being investigated, and the lease rent received for use of the site will help the Council to fund this investigation.

It is recommended that Expressions of Interest can be sought on the basis of a term lease of 15 years, so that the lease of the land will expire in conjunction with the term of the other leases.

As this land was last valued in 2008 it is recommended a new valuation be received, particularly as Lot 509 has some improvements.

It is noted that through the process of the Lake Kununurra Foreshore Plan review, the Water Corporation have indicated that, due to its close proximity to the Diversion Dam, vessels would only be allowed to moor at this site for a maximum period of 24hrs. This restriction would require that, during period of non-operation, businesses would need a license to moor at Lily Creek Lagoon, be able to transport their vessel/s by land, or construct an inlet to allow for boat mooring at the site. Operation of houseboats from the site will also be subject to agreement from the Department of Transport and Water Corporation.

It is the Officer's recommendation that the Shire advertise for expressions of interest for a suitable business (or businesses) to lease the land. Council can then consider the expressions of interest received and advertise disposal of the property to the successful party.

## **ATTACHMENTS**

Attachment 1 – Commercial Boating Facility Location Plan

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council:

- 1) Gains a new property valuation for Lot 509 of the Commercial Boating Facility, Kununurra to be leased for a 15 year term.
- 2) Advertises for expressions of interest for a suitable business to lease Lot 509 of the Commercial Boating Facility, Kununurra for a 15 year term.

### **Motion**

Cr K Wright moves that Council adopts the Officer's Recommendation with the following amendment in both points – Replace the "15 year term" with "21 year term".

## **COUNCIL DECISION**

**Minute No. 10321**

**Moved: Cr K Wright**

**Seconded: Cr B Robinson**

**That Council:**

- 1) **Gains a new property valuation for Lot 509 of the Commercial Boating Facility, Kununurra to be leased for a 21 year term.**
- 2) **Advertises for expressions of interest for a suitable business to lease Lot 509 of the Commercial Boating Facility, Kununurra for a 21 year term.**

**Lapsed 2/7**

**For: Cr K Wright, Cr B Robinson**

**Against: Cr J Moulden, Cr R Dessert, Cr D Learbuch, Cr D Spackman, Cr S Cooke, Cr G Taylor, Cr G King**

### **Alternate Motion**

Cr D Spackman moves that Council adopts the Officer's Recommendation with the following amendment to the lease term in both points – To replace the "15 year term" with "up to 15 years".

**COUNCIL DECISION**

**Minute No. 10322**

**Moved: Cr D Spackman**

**Seconded: Cr G Taylor**

**That Council:**

- 1) Gains a new property valuation for Lot 509 of the Commercial Boating Facility, Kununurra to be leased for a term up to 15 years.**
- 2) Advertises for expressions of interest for a suitable business to lease Lot 509 of the Commercial Boating Facility, Kununurra for a term up to 15 years.**

**Carried 7/2**

**For: Cr J Moulden, Cr R Dessert, Cr D Learbuch, Cr K Wright, Cr D Spackman, Cr G Taylor, Cr G King**

**Against: Cr S Cooke, Cr B Robinson**



### 13.4.4 Development Application for a Community Purpose (Kununurra Neighbourhood House) at Lot 507 Chestnut Avenue, Kununurra

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Mark Phillips
<b>LOCATION:</b>	Lot 507 Chestnut Avenue, Kununurra
<b>AUTHOR:</b>	Jennifer Ninyette, Senior Planning Officer
<b>REPORTING OFFICER:</b>	Nick Kearns, Director Community Development
<b>FILE NO:</b>	A6991P

#### **PURPOSE**

For Council to consider a development application for a Community Purpose (Kununurra Neighbourhood House) at Lot 507 Chestnut Avenue, Kununurra.

#### **BACKGROUND**

An application for planning approval was lodged on 28 January 2014 by Mark Phillips for the development of a purpose built Kununurra Neighbourhood House at Lot 507 Chestnut Avenue, Kununurra.

The property is located adjacent to the Ewin Centre with frontage to Chestnut Avenue as well as access from Bella Lane, and has an area of 2073 m<sup>2</sup>. The land is zoned Town Centre under *Town Planning Scheme No.7 – Kununurra and Environs (TPS 7)*.

The property is currently vacant and has been set aside for the purpose of development of a new Kununurra Neighbourhood House facility. The land has been reserved for the purpose of 'Community Purposes' with Management Order issued to the Shire with power to lease.

At the Ordinary Council Meeting of 19 October 2010 the Council considered an item (Item 12.5.2) to consider its further involvement in the development of new premises for the Kununurra Neighbourhood House and associated services, and resolved:

#### **Minute No. 9319**

**Moved:** Cr J Parker  
**Seconded:** Cr K Wright

**That Council provide the following contributions to the development of the new building for Kununurra Neighbourhood House and associated services:**

- 1) Retain reserve management order of Lot 507, and include the proposed community infrastructure, for the purposes of community use on behalf of the community;**
- 2) Seek funding for the construction of the new building for use by Kununurra Neighbourhood House and associated services;**
- 3) Provide project management of the building construction phase to hand over occupancy and operation;**
- 4) At an appropriate future time, develop and negotiate mutually agreeable terms and conditions to establish lease arrangements between the Shire and Kununurra Neighbourhood House for use of the land and buildings for community purposes; and**

**5) As the project evolves, assess any further types of involvement as the need arises.**

**Carried Unanimously (8/0)**

A copy of this item is provided as Attachment 1.

*Proposal*

The applicant proposes to establish a purpose built facility for the Kununurra Neighbourhood House Family Support Service which will include main activity areas (lounge and kitchen), meeting room, informal meeting/seating areas, playground areas and a crèche, storage areas, Opportunity shop, and will also incorporate the Kununurra Toy Library which currently is operated from the Kununurra Picture Garden site.

The proposed development will have a total floor area of approximately 420m<sup>2</sup>, spread out across the site to provide separation between activities and various function as well as providing a welcoming environment. The buildings are to be constructed with colorbond custom and fibre cement cladding, and with colorbond custom orb roof sheeting and a polycarbonate roof and timber screen over the entry and outdoor foyer. Plans and a written submission for the proposed development are provided at Attachment 2.

Once planning approval has been obtained the Kununurra Neighbourhood House can apply for further funding for construction of the new facility, which will be subject to a building permit application.

The applicant has advised that if required the development can be staged in the event that full funding is not secured immediately. The crèche, KNH and Toy Library sheds are designed as separate buildings, any of which can be completed later if required as funding becomes available.

**STATUTORY IMPLICATIONS**

The land at Lot 507 is zoned Town Centre under TPS 7. The objectives of this zone are to provide adequate land for the continued development of a main commercial and community facility centre for the town and to apply appropriate development and land use controls to ensure the development is to a satisfactory standard.

The proposed use would be Community Purpose which is defined in TPS 7 as below:

***Community Purpose*** means the use of land and buildings designed or adapted primarily for the provision of educational, social and recreational facilities and services by organisations involved in activities for community benefit.

The proposed use is not listed in Table 1 – Zoning Table and therefore is a land use that requires Council's discretion. Normally this would require the proposed use to be treated as an SA use, which requires advertising prior to Council determination. However it is acknowledged that the land has been set aside for this proposed use, which is consistent with both the objectives of the Town Centre zone and the purpose of the reserve created under the *Land Administration Act 1997*.

An additional use of Shop (Opportunity Shop) is also proposed for the sale of second hand clothing, however based on the small area proposed (14m<sup>2</sup>) this use is considered to be a minor incidental use that is consistent with the services provided by KNH.

### *Car parking*

There are 32 existing car parking spaces adjoining the Ewin Centre (child care), 16 of which are provided within the boundary of the Ewin Centre (12) and proposed KNH site (4) along with the aisle, and 16 of which are located within the Chestnut Avenue road reserve.

The applicant proposes to extend this existing car park to both the north and south by altering the location of the current entry and exit locations, which will result in an additional 11 bays in this location; 5 proposed be located with the Ewin Centre and KNH sites, and 6 bays proposed to be located within the road reserve. It is noted that two potential bays within the road reserve have been sacrificed to provide landscaping in order to break up the extensive expanse of bitumen parking.

Two bays for staff parking are also proposed to be provided onsite with access from Bella Lane.

The proposed use is not included in the Development Standards table, therefore the car parking to be provided for the development is 22 bays and has been calculated as shown in the below table:

Use	Area	Car parking calculation	No. of Bays Required
Meeting/Activity Areas	100m <sup>2</sup>	1 bay per 10m <sup>2</sup>	10
Office	28m <sup>2</sup>	1 bay per 40m <sup>2</sup>	1
Shop	14m <sup>2</sup>	1 bay per 20m <sup>2</sup>	1
Crèche	53m <sup>2</sup>	1 bay per staff and 1 bay per 4 children	8
Storage Areas	176m <sup>2</sup>	1 bay per 100m <sup>2</sup>	2
		TOTAL	22

In 2013, the KNH undertook a parking survey over a four week period, which shows that the peak number of vehicles for the site at any one time was 19, with peak periods being associated with specific programs held at KNH. A copy of this survey is provided with the plans and submission at Attachment 2.

Therefore, the application is to be determined by Council on the basis that it is Council managed land and that the proposal intends to provide a number of bays within the road reserve, as well as a number of bays within the neighbouring Ewin Centre site, which is also a Council managed reserve.

### **POLICY IMPLICATIONS**

No policy implications apply in the preparation of this report

### **FINANCIAL IMPLICATIONS**

The Kununurra Neighbourhood House has obtained funding from Lotterywest to prepare documentation, together with a contribution from the Shire (\$30,000), in order for the project to be ready for tender to seek construction funding. Council have agreed to provide project management of the building construction phase.

The application fee is \$8,530 based on the estimated cost of construction of \$3.5 Million, however the KNH have not budgeted for this amount and have requested that this fee be waived. A copy of this request is provided at Attachment 3.

## **STRATEGIC IMPLICATIONS**

This project aligns to the Strategic Community Plan 2012-2022. In particular this project addresses the following strategies:

- 1.2.3 Promote the collocation of community facilities and sharing of resources among community groups.
- 2.4.1 Advocate for improved health and community services.
- 2.5.4 Encourage activities that promote adult educational opportunities including family support and life skills programs.

## **COMMUNITY CONSULTATION**

Although community purpose is a use not listed in the zoning table (Table 1) of TPS 7, the application has not been advertised on the basis that the site has specifically been created for this purpose. However, the architect and KNH have consulted with the Ewin Centre which adjoins the site in relation to the proposed development and shared parking and access areas, and the Ewin Centre have provided a letter of support for the proposal. A copy of this letter is provided at Attachment 4.

## **COMMENT**

Kununurra Neighbourhood House currently operates out of an altered residence on Leichhardt Street. The need for a new building was highlighted by the Kununurra Neighbourhood House Management Committee due to:

- The limited size and lack of functional spaces for the range of services and programs currently being provided, including lack of privacy and separation of activities and lack of storage options;
- Ongoing maintenance issues associated with the age, structure and design of the building;
- Lack of compliance with universal access and inclusion requirements and the high costs of required modifications to meet these requirements at the current premise;
- The limited potential to increase service provision to meet the needs of the growing community.

The Council has previously agreed to provide a number of contributions towards the development of the new KNH facility, including creation and reservation of Lot 507 for this purpose and contribution of \$30,000 towards the preparation of documentation towards obtaining planning approval.

The construction phase of the proposed development will be subject to KNH and the Shire obtaining grant funding, following which the Shire has committed to providing project management of the building construction phase. It is acknowledged that in the future an agreement for the use, management and maintenance of the land and buildings will need to be negotiated between the Shire and Kununurra Neighbourhood House.

The development proposed is considered to be of a high standard, with the only concession being sought in relation to car parking.

The KNH will largely operate outside the peak periods for drop off and pick up for the adjoining child care centre, with only minimal overlap likely to occur in the mornings between 8.30 – 9.00am, therefore it is considered that parking can be utilised on a reciprocal basis.

A survey of the current child care centre parking over a week is provided at Attachment 5 which shows that the majority of drop offs occur between 7.30 – 8.15am and collections generally occur after 4pm, which are outside the hours of operation of KNH. This survey however does not include staff parking which the Ewin Centre have advised is, at the most, 16 vehicles at any one time, however is for the majority of the day.

The development proposes to provide an additional 11 bays within the shared parking and access areas, resulting in a total of 43 shared parking bays, along with 2 bays specifically for KNH staff parking.

Anecdotally, it is understood that it is currently difficult to get parking at the Ewin Centre during the peak drop off times between 7.30 – 8.30am, and therefore the additional parking proposed will also alleviate pressure during peak periods for the child care centre.

Accordingly, the application is recommend for approval, which will incorporate approval of the additional parking bays within adjoining Lot 506 (Ewin Centre site).

The KNH have also requested that Council consider waiving the application fee that has been paid as the value of the applicable fee is greater than anticipated, as a contribution towards the project for which the new premises will ultimately belong to the Shire.

Ordinarily rather than waive a fee the Shire would request that applicants apply for a Quick Grant to cover the fee, which acts as a paper (and accounting) trail to acknowledge in kind support or sponsorship the Shire provides, however in this instance the application fee, based on the estimated cost of construction (\$3.5M) is calculated to be \$8,530, which is too large to be covered by a Quick Grant (\$500).

The Shire also provides Annual Grants for requests over \$1000, which are received by May each year then assessed on their merit and grants issued in the following financial year subject to the funding amount available and number of applications. Due to this process it is not considered appropriate to assure that the KNH would be successful for the next Annual Grant round, however it is considered appropriate that, if agreed to by Council, sponsorship towards the project can be provided from unspent Annual Grant funds for the current financial year.

It is also recommended that any Shire contribution towards the project should be subject to the Shire being suitably acknowledged through further stages of the project.

## **ATTACHMENTS**

- Attachment 1 – Item 12.5.2 OCM October 2010
- Attachment 2 – Submission and Plans
- Attachment 3 – Request for fee waiver
- Attachment 4 – Letter of support from Ewin Childcare Centre
- Attachment 5 – Ewin Centre Car Parking Survey

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council:

- 1) Grants planning consent for a Community Purpose (Kununurra Neighbourhood House) at Lot 507 Chestnut Avenue, Kununurra, and Car Park at Lot 506 Chestnut Avenue, Kununurra, subject to the following conditions:
  - a) Development shall be in accordance with the attached approved plan(s) and subject to any modifications required as a consequence of any condition(s) of this approval. The endorsed plans shall not be modified or altered without the prior written approval of the local government.
  - b) Any change of use of any buildings, or portions thereof, will require Shire approval.
  - c) All stormwater from the proposed development being retained onsite.
  - d) New crossovers to the development must be constructed in accordance with the Shire's commercial crossover specifications.
  - e) 13 additional bays are required to be provided for this development in accordance with the approved parking plan, being 4 additional bays within Lot 507, 3 additional bays within Lot 506, and 6 additional bays within the Chestnut Avenue road reserve.
  - f) All public car parking design layout is to be in accordance with Australian Standard/New Zealand Standard 2890.1:2004 – Parking facilities – Off-street parking, and constructed at the Developer's cost.
  - g) Landscaping and pathways, inclusive of the development within public area, are to be installed at the Developer's cost to the satisfaction of the Shire's Infrastructure Directorate.
  - h) Any future signs will require further planning approval from the Shire.
- 2) Agrees to provide sponsorship in an amount equal to the development application fee of \$8,530 to the Kununurra Neighbourhood House, to be funded from unallocated Annual Grant funds from the 2013/214 financial year, subject to the Shire's support being suitably acknowledged.

## **Motion**

Cr K Wright moves that Council adopts the Officer's Recommendation with the following amendment to point 1c) "Discharge all stormwater into the Shires stormwater system to the satisfaction of the Shire"

## **COUNCIL DECISION**

**Minute No. 10323**

**Moved: Cr K Wright**

**Seconded: Cr D Learbuch**

**That Council:**

- 1) Grants planning consent for a Community Purpose (Kununurra Neighbourhood House) at Lot 507 Chestnut Avenue, Kununurra, and Car Park at Lot 506 Chestnut Avenue, Kununurra, subject to the following conditions:**
  - a) Development shall be in accordance with the attached approved plan(s) and subject to any modifications required as a consequence of any condition(s) of this approval. The endorsed plans shall not be modified or altered without the prior written approval of the local government.**
  - b) Any change of use of any buildings, or portions thereof, will require Shire approval.**
  - c) Discharge all stormwater into the shires stormwater system to the satisfaction of the shire**
  - d) New crossovers to the development must be constructed in accordance with the Shire's commercial crossover specifications.**
  - e) 13 additional bays are required to be provided for this development in accordance with the approved parking plan, being 4 additional bays within Lot 507, 3 additional bays within Lot 506, and 6 additional bays within the Chestnut Avenue road reserve.**
  - f) All public car parking design layout is to be in accordance with Australian Standard/New Zealand Standard 2890.1:2004 – Parking facilities – Off-street parking, and constructed at the Developer's cost.**
  - g) Landscaping and pathways, inclusive of the development within public area, are to be installed at the Developer's cost to the satisfaction of the Shire's Infrastructure Directorate.**
  - h) Any future signs will require further planning approval from the Shire.**
- 2) Agrees to provide sponsorship in an amount equal to the development application fee of \$8,530 to the Kununurra Neighbourhood House, to be funded from unallocated Annual Grant funds from the 2013/214 financial year, subject to the Shire's support being suitably acknowledged.**

**Carried Unanimously 9/0**

## 12.5.2 Kununurra Neighbourhood House

<b>DATE:</b>	19 October 2010
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Shire of Wyndham East Kimberley
<b>AUTHOR:</b>	Karyn Apperley, Director Community Development
<b>REPORTING OFFICER:</b>	Karyn Apperley, Director Community Development
<b>FILE NO:</b>	36.13.14
<b>ASSESSMENT NO:</b>	N/A

### PURPOSE

For Council to further consider its involvement in the development of new premises for the Kununurra Neighbourhood House and associated services.

### BACKGROUND

The proposal to facilitate the development of a new Neighbourhood House in Kununurra is promoted in the Shire's Plan for the Future 2008 – 2010, whereby it is proposed to locate the new replacement Neighbourhood House next to the Kununurra Childcare Centre in Chestnut Drive Kununurra – Lot 507, part of Reserve 29799 – which is vested to the Shire of Wyndham East Kimberley under a reserve management order for community purposes. Lot 507 is also identified in the Coolibah Drive residential subdivision plan as community use/Kununurra Neighbourhood House. The land is zoned Town Centre and a proposed use as a premise for Kununurra Neighbourhood House services is permissible in the zone.

The need for a new building has been highlighted by the Kununurra Neighbourhood House Management Committee due to:

- Limited size and lack of functional spaces for the range of services and programs currently being provided, including lack of privacy and separation of activities and lack of storage options;
- Ongoing maintenance issues associated with the age, structure and design of the building;
- Lack of compliance with disability access and inclusion requirements and the high costs of required modifications to meet these accessibility requirements at the current premises; and
- The limited potential to increase service provision to meet the needs of the growing community due to lack of space.

The Management Committee have also identified that a new building would provide the potential and ability to collocate other aligned services such as the Toy and Puzzle Library and provide a venue for other community groups to implement programs and activities.

Over the past 18 months or so, ongoing liaison with Kununurra Neighbourhood House representatives resulted in Lot 507 being identified as the new location for Neighbourhood House as well as identifying the need to develop the project in a manner that secures significant external funding for the construction of a new building.

To progress the development of new premises on Lot 507, Kununurra Neighbourhood House engaged the design services of Mark Phillips, local architect to develop preliminary plans and concept designs for a new building. In addition, Kununurra Neighbourhood House

have also contracted a quantity surveyor to develop a construction cost estimate once a concept design is finalised.

Shire Officers have previously provided comment with regard to the preliminary plans that comprise the current concept plan, including the need to provide flexibility and multi-functioning to ensure that the building spaces are flexible enough to accommodate other (aligned) users, and vehicle access and car parking considerations.

In addition, facility management and lease agreement conditions such as building maintenance, lease and facility hire fees and other contributions to the financial sustainability of a community building asset have been highlighted for consideration by Kununurra Neighbourhood House and future negotiation with the Shire.

A briefing was provided to Council on 5 October 2010 including distribution of a background document prepared by Kununurra Neighbourhood House.

### **STATUTORY IMPLICATIONS**

The *Local Government Act 1995* provides for the performance of functions by local government including the broad provision of services and facilities:

*Section 3.18 Performing executive functions*

- (2) *In performing its executive functions, a local government may provide services and facilities.*
- (3) *A local government is to satisfy itself that services and facilities that it provides —*
  - (a) *integrate and coordinate, so far as practicable, with any provided by the Commonwealth, the State or any public body;*
  - (b) *do not duplicate, to an extent that the local government considers inappropriate, services or facilities provided by the Commonwealth, the State or any other body or person, whether public or private; and*
  - (c) *are managed efficiently and effectively.*

### **POLICY IMPLICATIONS**

Council Policy *CP/COM-3580 Community Services*, adopted 22 June 2010, outlines the principles and objectives that apply to the Shire's involvement and support in the development of community infrastructure for various purposes and groups or organisations.

### **FINANCIAL IMPLICATIONS**

The current financial implications involve the in-kind contribution of Shire staff resources. This contribution will be significant given the likely duration of the project being between 2 to 5 years to completion of new premises on Lot 507.

Building construction funds will need to be secured from a variety of external sources including State and Commonwealth Governments. Any future financial implications would need to be considered by Council as they arise throughout the life of the project.

### **STRATEGIC IMPLICATIONS**

Council's Strategic Plan identifies the following objectives under the key result area of Community:

- *To develop the strengths and potential of our community now and into the future.*
- *Advocacy and leadership focussed on improved outcomes and services.*

- *Partnerships in addressing social issues in our community.*

## **COMMUNITY CONSULTATION**

Consultation has occurred with Kununurra Neighbourhood House staff and management committee members over the past 18 months. Ongoing consultation with Kununurra Neighbourhood House and other stakeholders will be required as the project progresses.

## **COMMENT**

The land for the new building/premises has been secured through the establishment and reserve management order to the Shire of Lot 507.

While Council could consider seeking conversion of Lot 507 to freehold title and transfer of ownership to Kununurra Neighbourhood House, the inherent risk of this approach is the future possibility of a change in the viability of a not-for-profit community organisation such as Kununurra Neighbourhood House. If the organisation ceased to exist at a future time, the land and building asset may be lost from community 'ownership'. However, if Council retains control and management of the land and building through the reserve management order, lease arrangements will be possible with another or future community organisation and the purpose of the asset for community use will be retained.

Funding for a new building has not been secured and Council assistance will be required to advocate, facilitate and secure external funding sources through the preparation of funding applications. Project management of the construction phase by a party other than Kununurra Neighbourhood House will be required given the constraints of volunteer management committees and limited staffing resources of community based organisations.

Kununurra Neighbourhood House has requested the following support from Council:

- Assistance in obtaining funding for the project;
- Project management by the Shire;
- Ownership of the asset by the Shire and a lease agreement with Kununurra Neighbourhood House for the land and building, with terms and conditions to be negotiated;
- Division of responsibility between the Shire and Kununurra Neighbourhood House regarding short and long term maintenance of the asset; and
- Contribution of funding grants, venue hire income and volunteer schemes by Kununurra Neighbourhood House towards the operational costs of the building.

## **ATTACHMENTS**

There are no attachments to this report.

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council provide the following contributions to the development of the new building for Kununurra Neighbourhood House and associated services:

1. Retain reserve management order of Lot 507, and include the proposed community infrastructure, for the purposes of community use on behalf of the community;

2. Seek funding for the construction of the new building for use by Kununurra Neighbourhood House and associated services;
3. Provide project management of the building construction phase to hand over for occupancy and operation;
4. At an appropriate future time, develop and negotiate mutually agreeable terms and conditions to establish lease arrangements between the Shire and Kununurra Neighbourhood House for use of the land and building for community purposes; and
5. As the project evolves, assess any further types of involvement as the need arises.

### **COUNCIL DECISION**

**Minute No: 9319**

**Moved: Cr J Parker**

**Seconded: Cr K Wright**

**That Council provide the following contributions to the development of the new building for Kununurra Neighbourhood House and associated services:**

1. **Retain reserve management order of Lot 507, and include the proposed community infrastructure, for the purposes of community use on behalf of the community;**
2. **Seek funding for the construction of the new building for use by Kununurra Neighbourhood House and associated services;**
3. **Provide project management of the building construction phase to hand over for occupancy and operation;**
4. **At an appropriate future time, develop and negotiate mutually agreeable terms and conditions to establish lease arrangements between the Shire and Kununurra Neighbourhood House for use of the land and building for community purposes; and**
5. **As the project evolves, assess any further types of involvement as the need arises.**

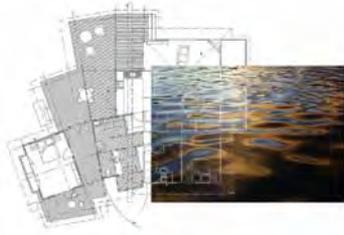
***CARRIED UNANIMOUSLY: (8/0)***



# Development Application



**PREPARED BY:**



Mark Phillips Architect  
PO Box 1873  
Kununurra WA 6743  
Ph: [08] 91 691 206  
markphillips@westnet.com.au

**ON BEHALF OF:**



**Kununurra Neighbourhood House**

**Family Support Service**

**34 Leichhardt Street  
PO Box 1101,  
Kununurra WA 6743  
knx.house@bigpond.com  
Phone: (08) 91 681 615 Fax: (08) 91 681 393**



**DOCUMENT CONTROL:**

Revision No.	Description	Date Issued
A	Submission to Shire for Review	27/01/2014
B	Revised Submission	05/02/2014

## INTRODUCTION

Kununurra Neighbourhood House (KNH) is a not-for-profit family support service that serves a diverse population in the Shire of Wyndham East-Kimberley.

Isolation is a key factor in determining the health and wellbeing of families. KNH are committed to providing emotional and practical support to lessen the impacts of isolation through development of support groups & networks, and through providing education & information to individuals and families and especially to those who are socially, culturally, geographically and economically disadvantaged. The remote East Kimberley is unusual in the Australian context because a large proportion of the population is transient and does not have the traditional support networks of family and friends nearby, and young families have limited time available to develop those support networks on their own. KNH recognise that families from different cultural backgrounds have specific needs, (such as indigenous families), and draws upon strategies that encourage self-help and result in support of individuals and families from a broad range of backgrounds and situations in the Kununurra area. KNH is dedicated to local community enrichment, and provides an immediate connection to a network of families and support programs to strengthen the threads that bind the community together.

In acknowledgement of the benefits that KNH currently provides to the community, The Shire of Wyndham East Kimberley (SWEK) has vested land to KNH for the purpose of building a new facility to expand the service to meet an increasing community need. The new site is located on Chestnut Drive and is designated Lot 507, reserve 50121 – a portion of the Reserve previously known as 29799. Landcorp provided services connections to the site as part of the Coolibah Estate development.

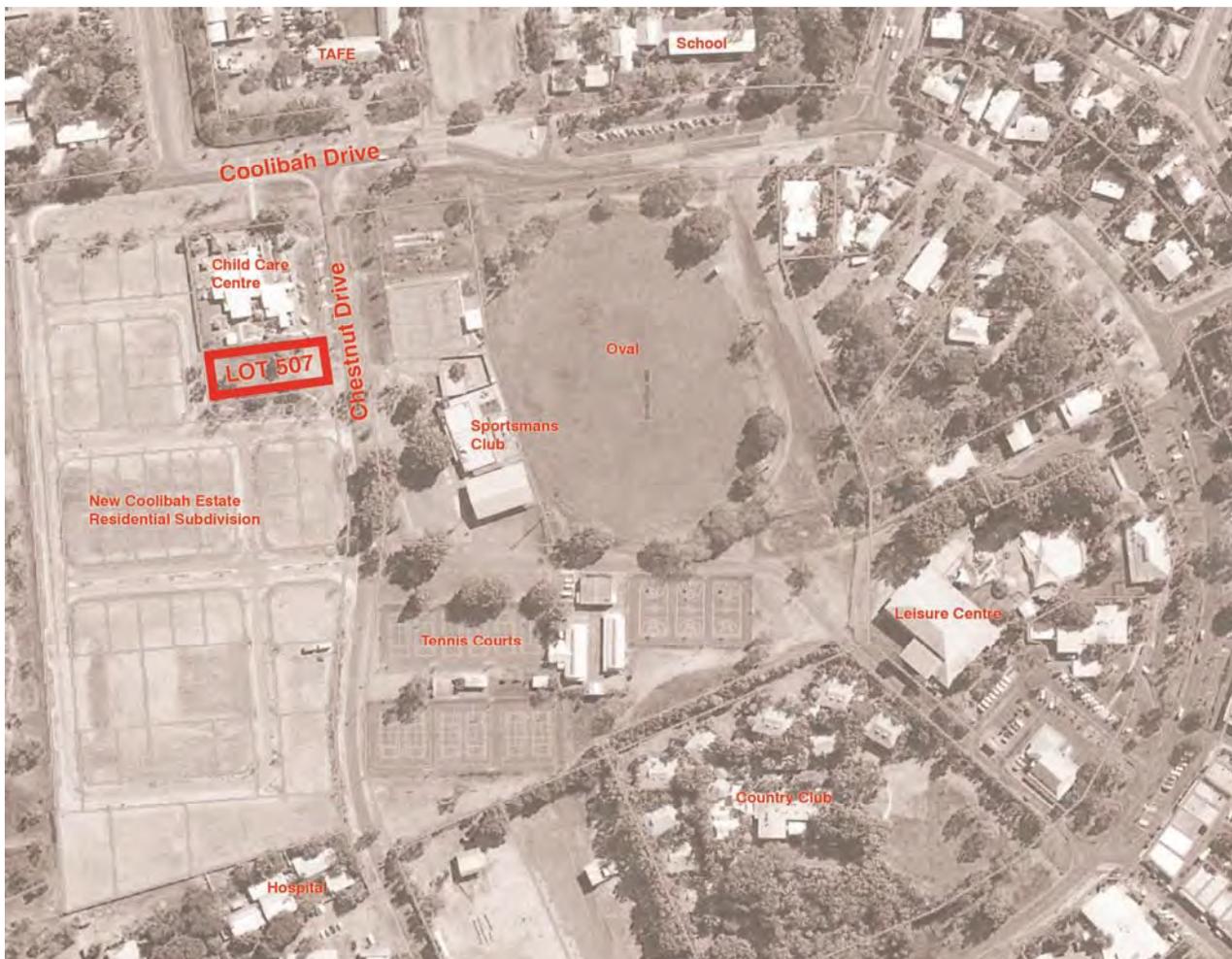
Mark Phillips Architect has been engaged by KNH to prepare a brief and concept design for the new facility. Lotteries West have subsequently provided funding for documentation, together with a contribution from the Shire of Wyndham East-Kimberley, in order for the project to be ready for tender and to seek construction funding.

## SITE PLANNING

KNH is dedicated to local community enrichment, and by providing an immediate connection for individuals to a network of families and support programs, KNH strengthens the thread that binds the community together. The design for the new building and site reinforces this concept of the "thread", in the form of a dark red band that connects pathways throughout the building.

Another key concept for the design is to make the building feel like it is a "home" or domestic environment rather than an institution; in keeping with the name of the organisation: "Neighbourhood House". It is important that people from all walks of life feel like they can walk in to KNH and find support and relief when they need it, in an informal and comfortable setting. It is also intended to create a facility that is sustainable; and flexible enough to be able to accommodate a whole range of community organisations and activities after KNH business hours in order to assist with operational costs.

## SITE



AERIAL IMAGE: SITE

The new KNH site has a narrow frontage on to Chestnut Drive which allows the building to take on a domestic scale to the front of the site. It is intended that the front boundary will have an open, low height pool-type fence so that people feel welcome to enter, but children are kept safely away from the road. A higher security fence will be placed behind the front facade similar to the adjacent Child Care Centre.



AERIAL IMAGE: VIEW FROM CHESTNUT DRIVE



IMAGE: VIEW FROM THE FRONT GATE

The entry to the building acts as a gathering place, where people (particularly indigenous people) can sit on the verandah and access some of the services provided by KNH without having to enter the building if they prefer not to. Play equipment is provided to the front yard so that children can be supervised by these parents while talking to staff. The site is bordered on two sides by the proposed new housing subdivision to Coolibah Drive, a transitional housing development model to encourage and retain indigenous people in employment. The services that KNH provide will be of great benefit to the occupants of the proposed transitional and social housing development and the proximity is ideal for KNH to provide an accessible facility where people feel that they can walk in and find support and relief.

The Kununurra Toy Library is a separate organisation, but Neighbourhood House have decided to provide accommodation for the Kununurra Toy Library on site in recognition of the service that they provide for young families, something that is very much in line with KNH's objectives.

## **CAR PARKING**

The site is adjacent to the existing Ewin (Child Care) Centre, and there is an existing Shire car park that extends across the front of both the Ewin Centre and the new KNH site, with 32 angle parking bays marked. A portion of the existing carpark is already within the reserve set aside for the KNH (Refer attached site plan).

KNH is not a defined use under the town planning scheme and so the parking requirement is not predetermined. KNH have undertaken a parking survey to determine their current usage (refer appendix). In addition KNH and Mark Phillips Architect (MPA) have met with the Ewin Child Care Centre, and Janelle (Coordinator) has indicated that their current staff numbers are 22 (with potential for 16 of those to drive to work at any one time). Janelle has indicated that their child drop-off period in the morning is generally from 7:30am to 8:30am although it can extend to 8:45am, which will overlap by 15 minutes with Neighbourhood House's opening hours commencing at 8:30am. Janelle has indicated that on the odd occasion (at peak times) it can be difficult to find a place to park. The pick-up period for the Ewin Centre is generally after KNH has closed for the day.

On this basis it is proposed to extend the existing car park to both the north and south and maintain the current one way traffic flow (i.e. this will require relocation/alteration of the existing entry and exit points into the car park). It is noted that parking will, in the main, be able to be used on a reciprocal basis with the Ewin Centre, and that any additional parking will also alleviate existing pressure during peak periods for drop off and pick up time for the Ewin Centre. In modifying the existing parking layout at the Ewin Centre, we will consider designating a number of bays as drop-off/pick-up only (e.g. 15 minutes maximum) close to the front door of the Ewin Centre to allow for convenient access for parents carrying children.

It is also noted that there is a large, rarely used carpark directly opposite the site at the Sportsman's Bar which could be used for overflow parking on the odd occasion that the proposed parking is not adequate. The parking is a bitumenised area approximately 2000m<sup>2</sup> (excluding access roads around the perimeter). There are no lines marked, however with a one-way traffic flow and marking to the 5.5m x 2.8m standard it is estimated that this would provide in excess of 50 car bays. It is assumed that the times of future peak use for this car park would be weekends and evenings, outside of KNH and Ewin Centre hours.

The concept layout also indicates 2 on-site staff parking bays at the cross-over to the proposed KNH shed off Bella Lane, at a scale in keeping with the residential nature of that street.

The total number of proposed new parking bays is 13, bringing the total provided across the Ewin Centre and KNH to 45. Two potential new bays have been sacrificed to provide landscaping opportunities to break up the extensive expanse of bitumen parking at the front of the site.

## **SETBACKS**

The site is zoned town centre, and although adjacent to the Coolibah Estate, the new neighbourhood house site is outside the area covered by the Estate Development Guide Plan.

Given that that the site is next door to the Ewin Centre and that access to the site and parking is likely to be reciprocally shared, the building is to be set back from Chestnut Drive in line with the Ewin Centre on the front boundary (refer attached floor plan).

It is intended to provide a fire rated wall to the Northern (side) Boundary where it is less than 3m from the boundary.

On the southern boundary KNH is requesting approval of a reduced setback to 1.5m on the basis that the Southern boundary adjoins the park. The concession is caused by the need to allow space for the co-location of the toy library on site; as a separate organisation it has different needs for access to KNH and additional space as a result. The toy library makes an important contribution to our community and KNH support them by providing accommodation on their site.

### **STORMWATER**

The adjacent Ewin Centre site has had stormwater drainage problems in the past, and the Shire has constructed a temporary stormwater drain on the KNH site to alleviate the problem. It is proposed to build a low height (between 2 and 300mm) retaining wall on the KNH/Ewin Centre Boundary that will prevent stormwater from flowing on to the Ewin Centre site, and the KNH site will be built up with clean fill as required to mitigate stormwater problems on the KNH site.

### **LANDSCAPING**

Existing trees will be retained where possible, as the KNH values any existing shade on site.

Food garden programs are an important part of KNH activities for kids and adults alike, and part of the site is proposed to be food gardens that can also tie into healthy cooking education programs.

It is intended to include the majority of lawn and garden landscaping as part of the construction contract. However, KNH have expressed interest in undertaking sustainable landscaping programs as part of their ongoing adult education course development, and the site represents a good opportunity for a training ground.

### **STAGED CONSTRUCTION**

Funding has been secured to complete the documentation stage, and KNH continue to seek funding for construction. The concept design allows for the construction of the project to be staged in the event that full funding is not secured immediately. The Creche, KNH Shed and Toy Library are designed as separate buildings, any of which can be completed later if required as funding becomes available (it would be possible to make use of the meeting room as a temporary Creche location prior to the new Creche building being built).

## **CONCEPT DESIGN**

### **BUILDING LAYOUT**

The entry and foyer area is covered by a translucent roof sheet, with a timber screen below that filters dappled light down in to the open foyer area. There is a gap between the raised foyer roof and the roofs adjacent to keep the foyer area cool, and the timber screen ceiling prevents too much heat from getting through the translucent roof material.



IMAGE: ENTRY



IMAGE: FOYER

The entry is kept informal by opening on to a big outdoor activity area. It is intended to move away from the idea of an internal foyer area as a way of encouraging some indigenous people to feel comfortable about entering the building and accessing the services being provided. The entry contains informal seating, and racks of information pamphlets for families. The outdoor activity area allows space for programs to run concurrently, and to be able to provide venue-hire arrangements to other organisations when KNH is not fully booked.



IMAGE: OUTDOOR MEETING AND ACTIVITY SPACE

## MANAGEMENT

The Admin Office is at the core of the building layout, to enable the staff to supervise activities and coordinate programs while providing services to people who walk in. KNH cultivates an informal feel to many of the activities and programs they run to allow for the needs of children and ensure that activities are not stressful for families that may already be tired. Locating the office centrally means that staff are able to maintain visual contact without impacting on the informal nature of many of the programs.

A service provided by KNH is the provision of emergency relief packs stocked with food for families in distress. The people who access this service may want to be discrete, and so the food store is located adjacent to the office where staff can assist without people having to enter the building and there are alternative access points so it is not obvious what a visitor's purpose might be. The office is also located adjacent to a small "op shop" at the front of the building so that staff can monitor the entry and assist people who want to browse or buy.

## MEETING ROOM

A meeting area is provided that is a little separated from the activity areas of the building for privacy and quiet. The meeting room has a small tea facility to enable other community groups to hire the venue and use it independently of the rest of the building if required. The meeting room opens out onto the verandahs allowing the flexibility to use it for other activities.

It is proposed that an additional Meeting Room be considered if the budget allows, primarily for the benefit of community organisations when the other meeting spaces are being used concurrently. This additional meeting room is proposed to have an operable wall dividing it from the adjacent meeting room, to enable a larger group to use the two rooms combined.

## ACTIVITY ROOMS

The activity room can be used as one big space, or divided by a movable wall system into two smaller areas to run different activities concurrently (which is a frequent occurrence). The activity rooms are called the kitchen area and the lounge area, and are intended to be furnished along these lines to provide an informal domestic feel. However the furniture will be mobile and able to be easily cleared to allow a broad range of activities to take place. There is a large store room adjacent to the activity rooms which can store equipment and furniture to enable KNH to run activities from discussion groups to adult education programs such as sewing, craft, and cooking. The store room is also open to the outdoor activity areas to enable easy access as required. The kitchen doubles as the main tea/lunch facility for the building to stretch the resources as far as possible, and benches and equipment are located along the wall to allow maximum floor space for other activities.



IMAGE: OUTDOOR ACTIVITY SPACE

**ON-SITE CRECHE**

The on-site crèche is a key part of the services that KNH provide which enables parents to access programs while their children are cared for temporarily in a playful and educational environment. Parents can obtain support from staff or enjoy attending programs while still being close enough to provide primary care at any time of distress or need for their child, and for those parents that don't have established support networks of friends and family this can provide an important temporary respite. The concept behind the crèche building is to learn through play – creating a colourful, fun, stimulating and safe environment for children of all ages, and the red "thread" passing through the building is an expression of this playfulness. A similar design philosophy is carried through into the adult activity areas of the building, where learning is given a fun, informal emphasis to add a sense of playfulness to programs that can have a serious subject matter; thereby attracting families that may not otherwise be interested in attending.



IMAGE: CRECHE

The toilets are accessed from the verandah to allow for an increased level of privacy and access for some indigenous people who may feel uncomfortable with indoor access. A laundry facility is provided to support programs including healthy lifestyles education and for washing op-shop donations.

## KUNUNURRA TOY & PUZZLE LIBRARY

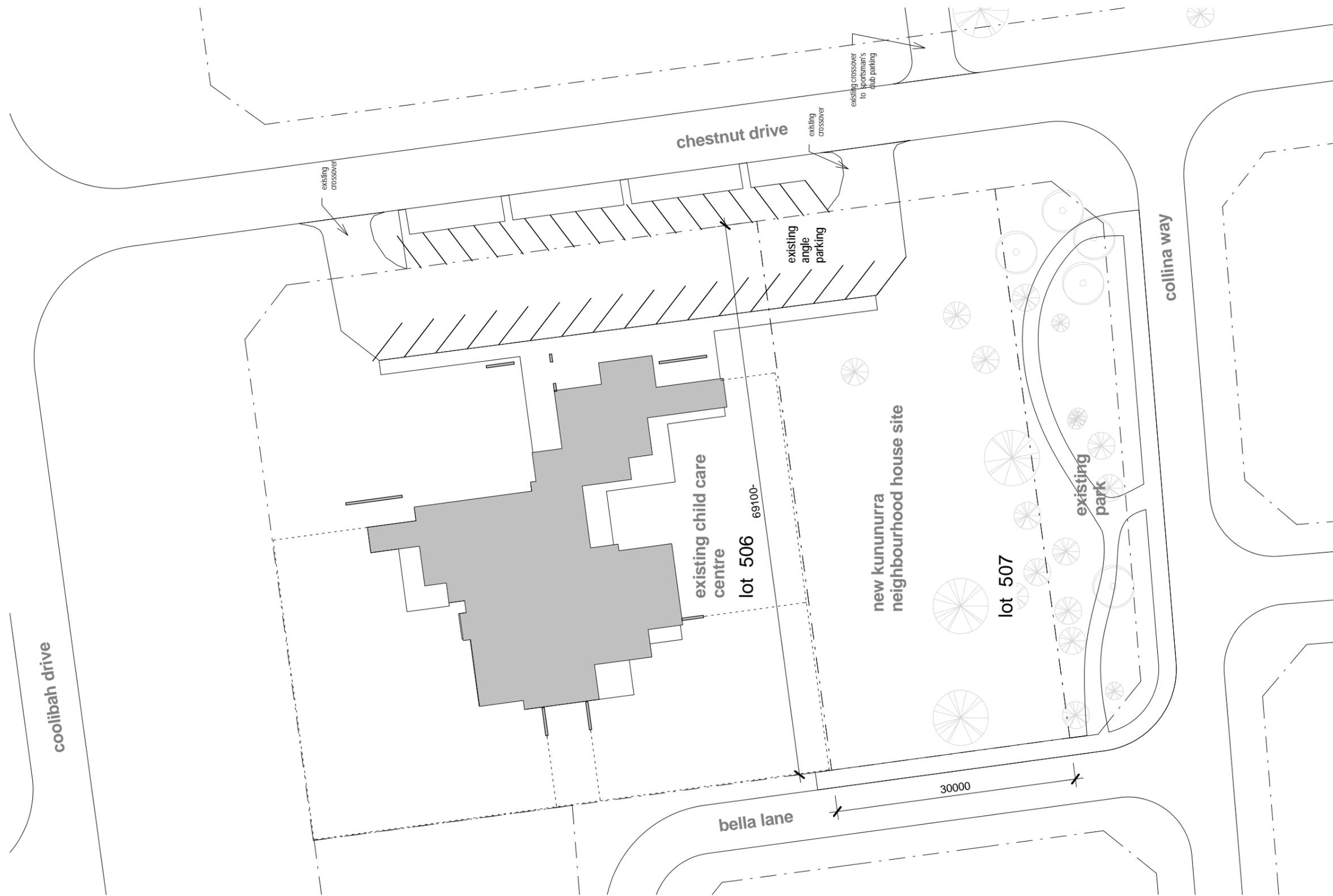
The Kununurra Toy and Puzzle Library is an organisation that allows families access to a huge range of educational toys that would otherwise be prohibitively expensive for the short time that they provide an engaging challenge to a child's development. The Kununurra Toy and Puzzle Library has been running for many years without a permanent base and has approached KNH with a co-location proposal. While funding and management arrangements need to be discussed in further detail, KNH consider the Toy Library to be an appropriate service to be co-located on the same site, and an enhancement to the services already provided by KNH. The Toy Library is indicated on the site plan as a simple store room (ideally air-conditioned) that will be lined with shelves for toys.

## STORE SHED

A store shed for KNH is shown to store gardening equipment, exercise equipment, outdoor furniture, trailer and so on. The store shed is proposed to have access to the road behind for ease of access by trailer, and to the food garden with soil and mulch.

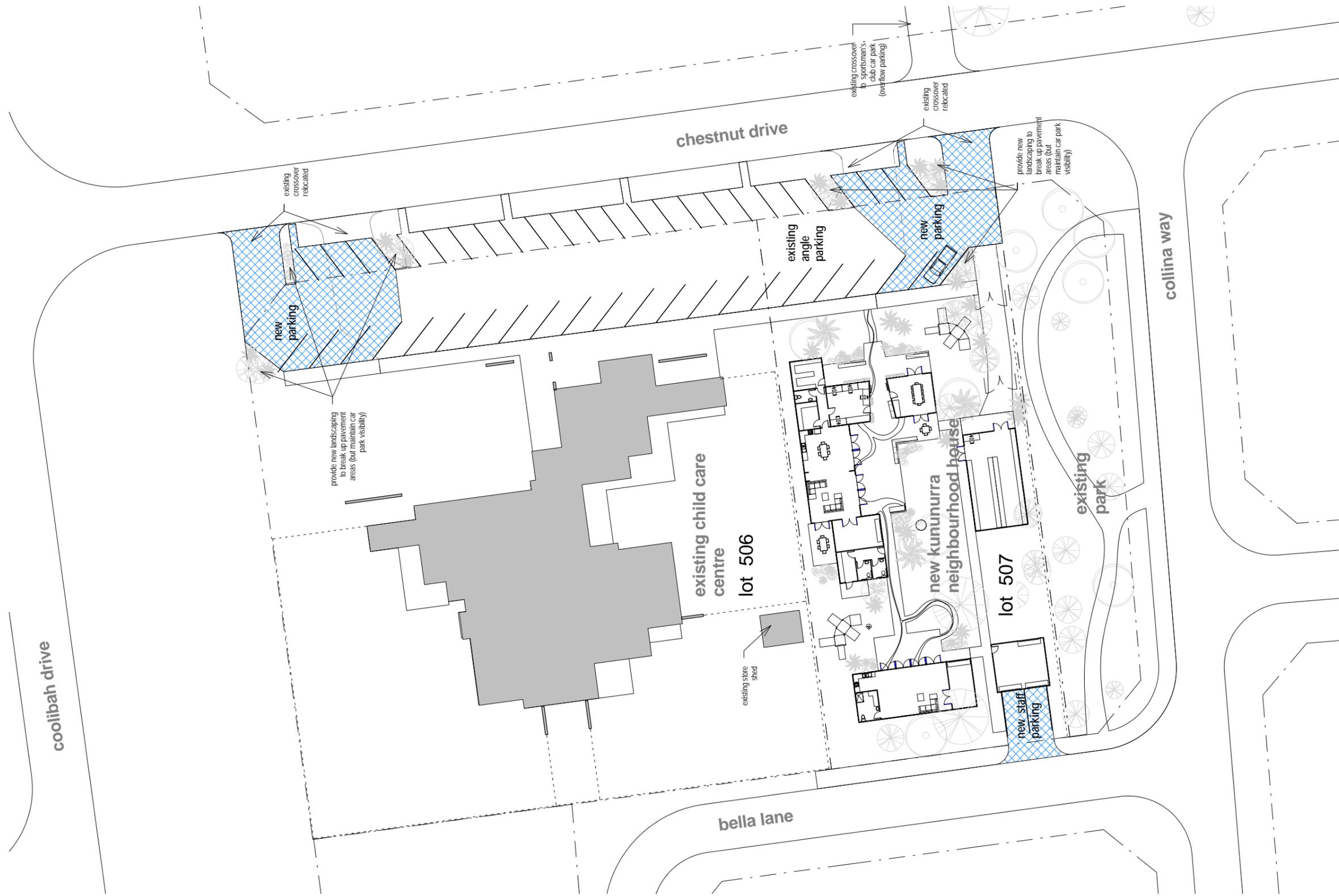
## CONCEPT DESIGN BRIEF

1. **Main Office** – 25m<sup>2</sup> - desk space for 3 to 4 staff, with good visibility to the rest of the building complex
2. **Meeting Room** – 20m<sup>2</sup> - multi-function meeting space for 10 people, also to function as a quiet area
3. **Staff Ablutions** – 6m<sup>2</sup> - Unisex WC with shower facilities
4. **Laundry** – 10m<sup>2</sup> - multi-function facility for domestic education programs, baby change area and for washing Op-Shop clothes
5. **Activity Room 1** - "Lounge" Area – 40m<sup>2</sup> - multifunction space for education programs (can be connected with activity room 2)
6. **Activity Room 2** - "Kitchen" Area – 40m<sup>2</sup> - multifunction space with kitchen facilities for education programs, crèche food prep, and tea/coffee prep
7. **Food Store (Pantry)** – 12m<sup>2</sup> - storage of foods used for education programs and emergency relief food packs
8. **Activity Rooms Store** – 20m<sup>2</sup> - storage of furniture and equipment used in various education programs
9. **Visitor's ablutions** – 12m<sup>2</sup> - 2 x unisex disabled access WC's
10. **Creche** – 60m<sup>2</sup> - space for a child minding service for parents involved in education courses on site
11. **Creche Ablutions** – 8m<sup>2</sup> - equipped with a child WC, baby bath and change table facility
12. **Creche Kitchenette** - 10m<sup>2</sup>
13. **Op Shop** – 20m<sup>2</sup> - a small, non air-conditioned space for storage of second hand clothing for sale to visitors
14. **Garden Shed** – 36m<sup>2</sup> - a non air-conditioned space for storage of tools for gardening education programs, trailer, equipment for fitness education programs, and outdoor toys
15. **Kununurra Toy and Puzzle Library** - 80m<sup>2</sup> - an air-conditioned storage space for the toy library, including windows for natural lighting



1 Existing Site Plan  
A00  
1:500

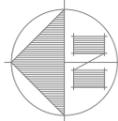
DESIGN DRAWING ONLY - NOT FOR CONSTRUCTION  COPYRIGHT MARK PHILLIPS ARCHITECT	<b>Mark Phillips Architect</b> in association with <b>Build-Up Design Architects</b>	 	Project <b>Proposed New Building</b>	Dwg Title <b>Existing Site Plan</b>	Date <b>05 February 2014</b>	
	p.o. box 1873 kununurra WA 6743 ph (08) 91 691 206 mob 0417 317 241 markphillips@westnet.com.au		Client <b>Kununurra Neighbourhood House</b>		Drawing Status <i>Development Application</i>	
					Dwg No. <b>A00</b>	Rev <b>9C</b>



1 Concept Parking Plan

1 : 500

1  
A01



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markphillips@westnet.com.au



Project **Proposed New Building**

Client **Kununurra Neighbourhood House**

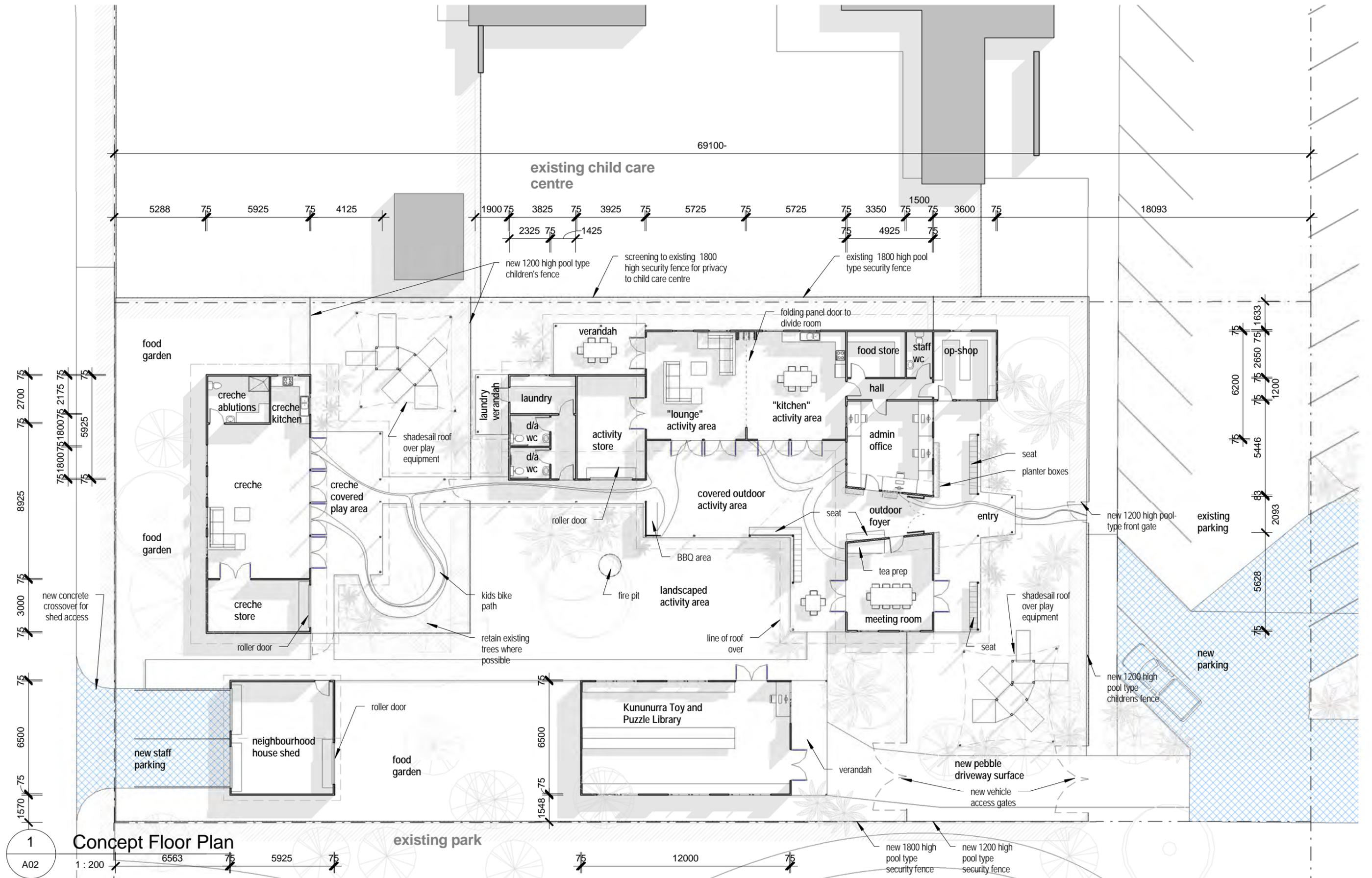
Dwg Title  
**Proposed  
Parking Plan**

Date **05 February 2014**

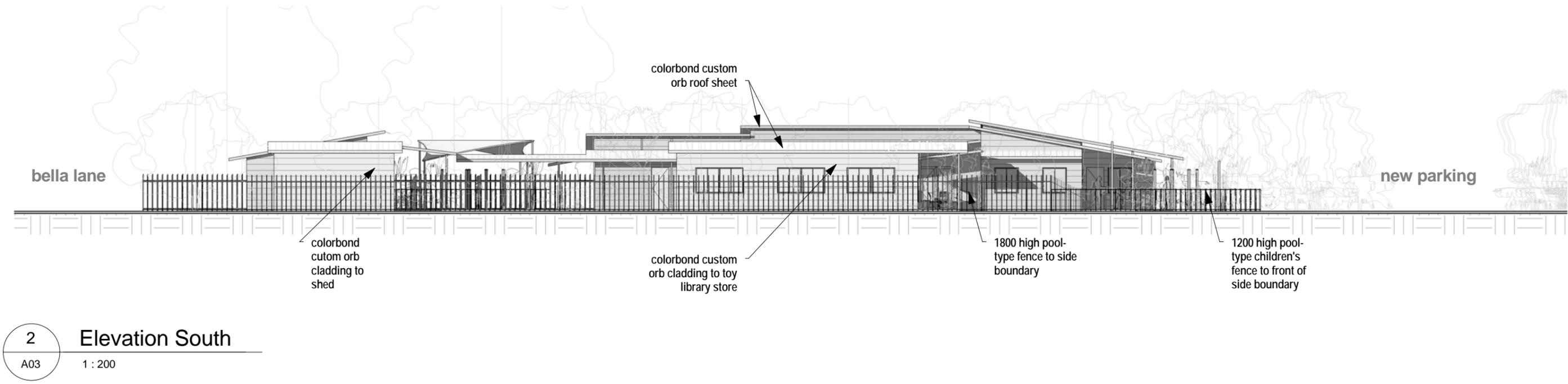
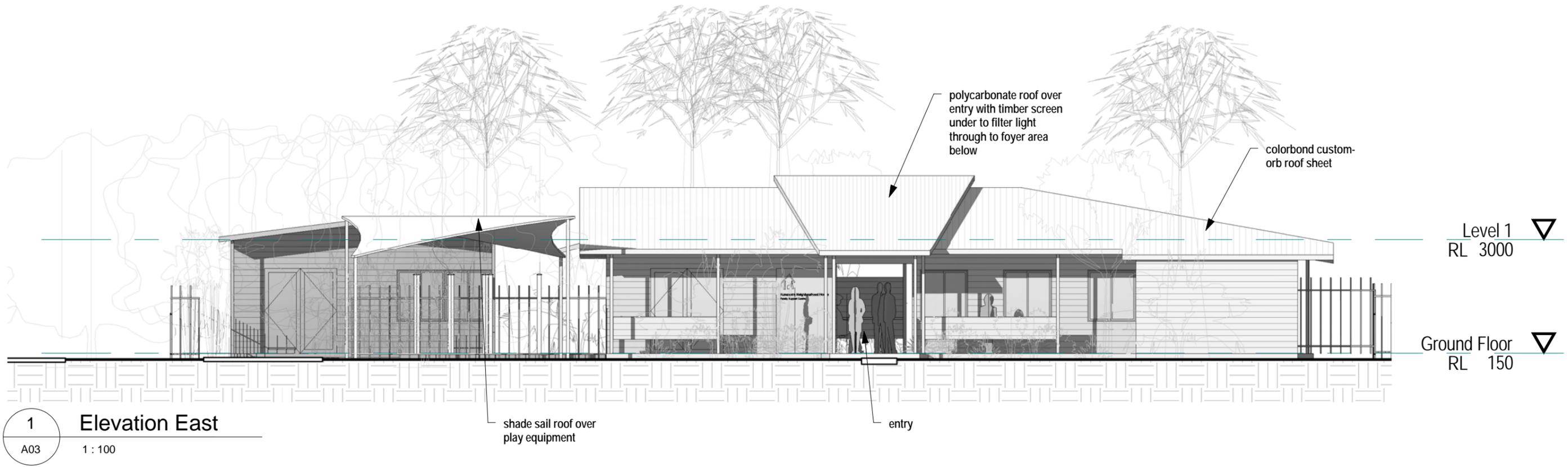
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*Development Application*

Dwg No.  
**A01**

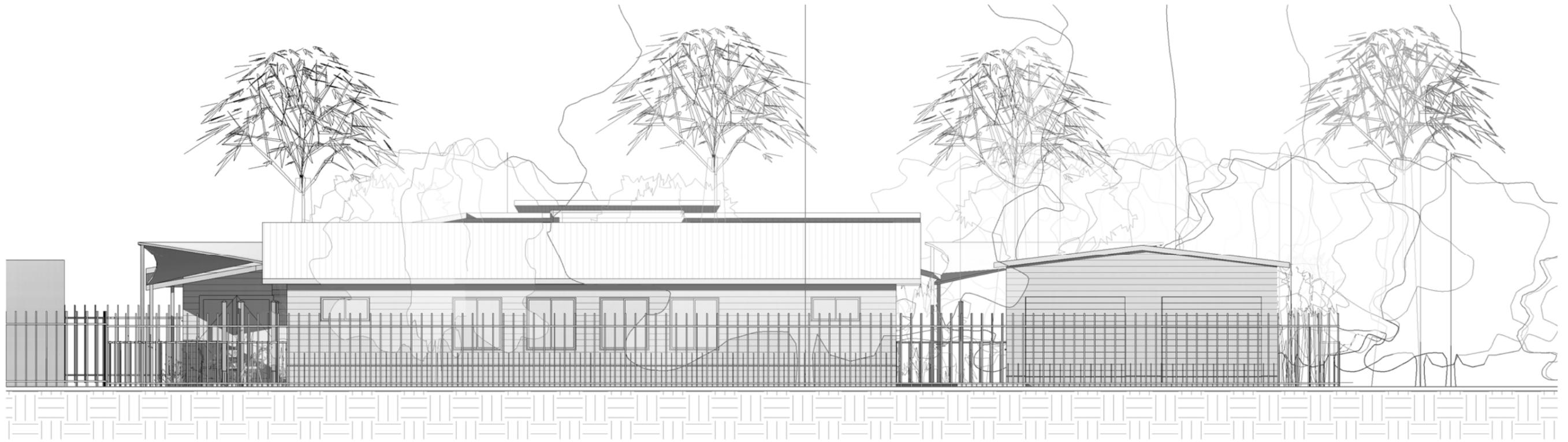
Rev  
**9C**



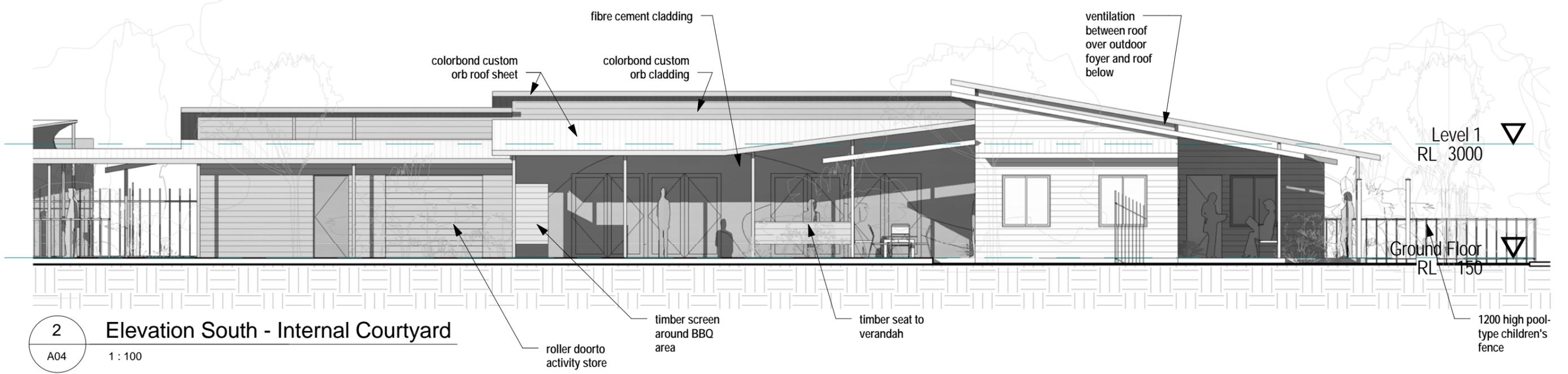
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				Drawing Status <b>Development Application</b>	Dwg No. <b>A02</b>	Rev <b>9C</b>



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	Client <b>Kununurra Neighbourhood House</b>			Drawing Status <i>Development Application</i>			
				Dwg No. <b>A03</b>		Rev <b>9C</b>	



1 Elevation West  
A04 1 : 100



2 Elevation South - Internal Courtyard  
A04 1 : 100

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						<p>Dwg No. <b>A04</b></p>



1 3D View from Chestnut Drive  
A05



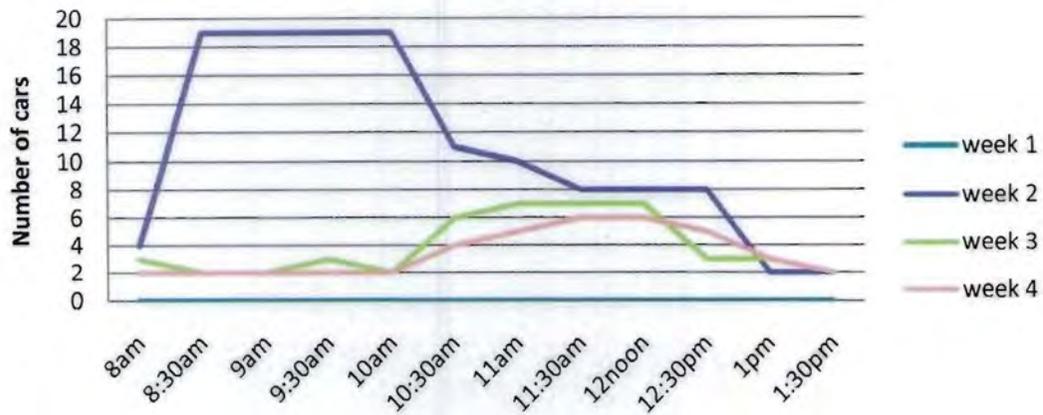
2 3D View from Bella Lane  
A05

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	p.o. box 1873 kununurra WA 6743 ph (08) 91 691 206 mob 0417 317 241 markphillips@westnet.com.au			Client <b>Kununurra Neighbourhood House</b>		Drawing Status <i>Development Application</i>	
						Dwg No. <b>A05</b>	Rev <b>9C</b>

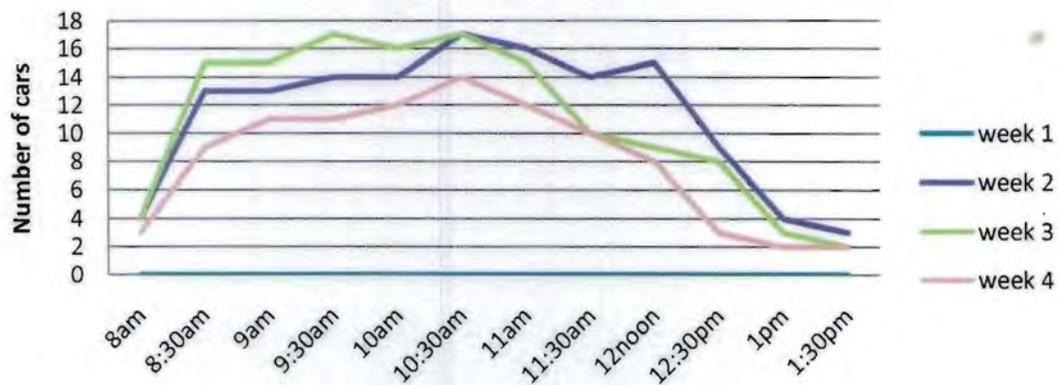
# KUNUNURRA NEIGHBOURHOOD HOUSE CAR PARK SURVEY

Please note the week one peak on Mondays chart is a parent power session that will be on Thursdays in 2014

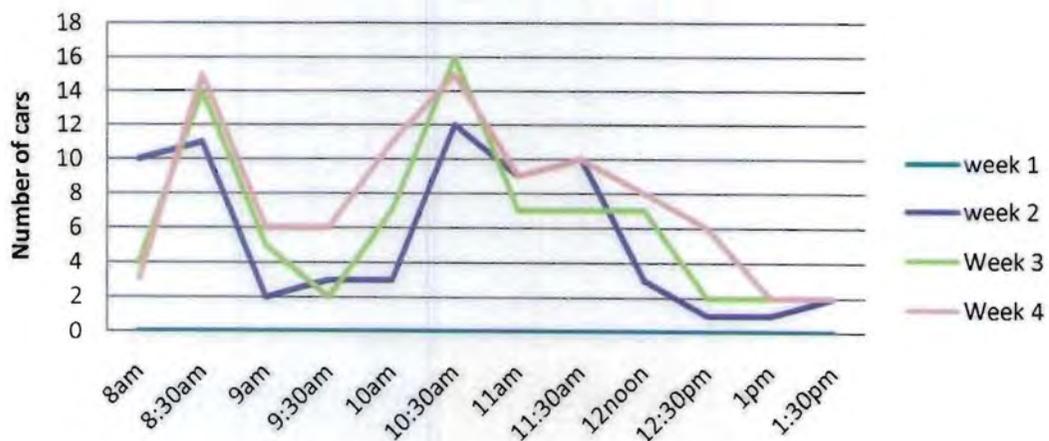
## Monday



## Tuesday

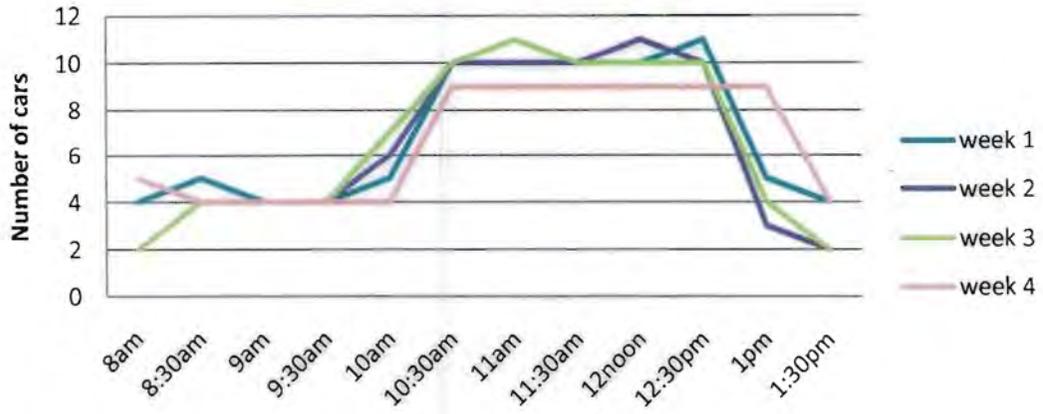


## Wednesday

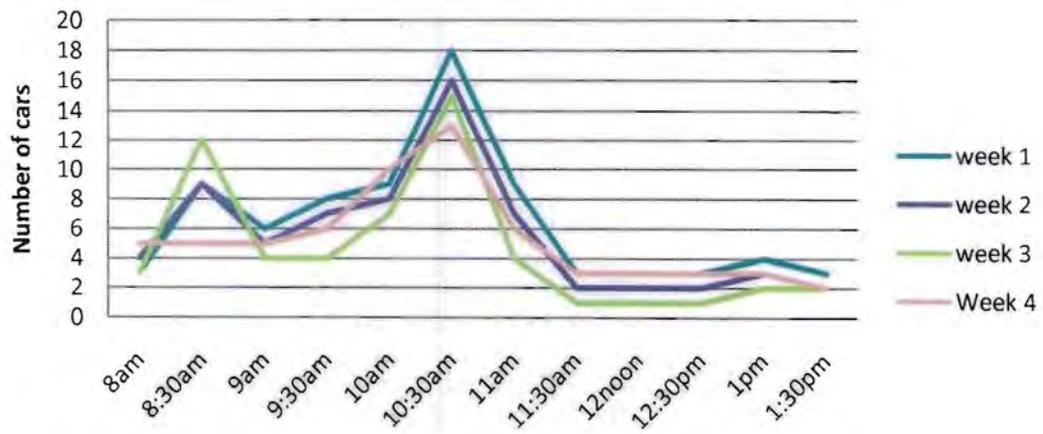


Car Park Survey continued...

### Thursday



### Friday





## Kununurra Neighbourhood House Family Support Service

PH: 08 9168 1615  
Fax: 08 9168 1393  
knx.house@bigpond.com  
www.facebook.com/knh.house

ABN: 71 135 651 977

PO Box 1101  
(34 Leichhardt Street)  
Kununurra WA 6743

Cr John Moulden  
Shire President  
Shire of Wyndham East Kimberley  
PO Box 614  
KUNUNURRA WA 6743

4th February 2014

Dear Cr Moulden,

**Re: Building development application fee waiver.**

Kununurra Neighbourhood House (KNH) is in the final stages of planning and design for our new purpose built facility on Chestnut Avenue. Architect, Mark Phillips has submitted a building development application for this project which carried an application fee of \$8530.00.

The value of this application fee was not budgeted for in the funding we have received to complete the design process. A lesser value was anticipated. Due to our new premises being built on SWEK land and upon completion, the building belonging to the SWEK, KNH would like the SWEK Council to consider waiving this fee as a contribution towards the project.

As a not-for-profit community organization KNH relies heavily on other community partners in order to succeed. The essential services and family support, in which KNH offers, would not be possible without this external assistance and this also applies to our redevelopment project.

The application fee has been paid by cheque and delivered to Jennifer Ninyette. If Council agree to waiver the application fee a reimbursement to KNH will be required.

Please do not hesitate to contact us if you would like to further discuss our request.

Yours Sincerely,

Belinda Allister  
Coordinator Programs

Kathryn Radford  
Coordinator Operations



EWIN EARLY LEARNING CENTRE INC  
PO Box 379,  
Kununurra WA 6743

Phone: 08 9168 1419  
ABN: 23 103 213 929

E-mail: [ewinknxcoord@bigpond.com](mailto:ewinknxcoord@bigpond.com)

06/02/14

To Dear Mark & Kununurra Neighbourhood House

Thank you for meeting with myself and Amanda McLean in December 2013 to discuss the proposed plans for Neighbourhood House.

We are very supportive of the KNH relocating next door to the Ewin Early Learning Centre, and we see this being a positive outcome for both services. We envisage our relationship growing given we will be in close proximity.

We understand that our car park is going to be affected by the development, and hope that we can all work together to reach our common goal.

The Ewin ELC provides care for up to 80 children per day, which results in up to 24 staff, in any one day.

Our peak drop off times are from 7.30-9.00am, and peak pick up times are from 3.30-5.00pm.

We are very supportive with the idea to mark some of our parking bays with 'short term parking' as this will allow close access to the centre for families.

Without causing unnecessary expense to any party, we believe that with losing some of the car parking spaces at the KNH end, it would need to be extended at the opposite end.

We are not supportive or comfortable with using the Ord River Sports Club car park for overflow parking for a couple of reasons. Many of our families have multiple children, who are all under 6 years of age, we feel that having to cross Chestnut Avenue will pose extra stress and risk on families. Our peak times are also peak for school drop offs in the mornings, so this increases the traffic flow along Chestnut Ave. Many of our staff have children, and would also be in the same situation.

We would appreciate your consideration of our concerns, and look forward to a happy partnership in the future.

Yours sincerely

Janelle Atwell  
Coordinator

Attachment 5: Ewin Centre Car Parking Survey



**EWIN EARLY LEARNING CENTRE**

**Car Park Survey**

**14/02/2014**

	Monday	Tuesday	Wednesday	Thursday	Friday	Totals
<b>Mornings</b>						
<b>7.30-7.45</b>	9	16	12	9	8	<b>54</b>
<b>7.45-8.00</b>	10	15	10	7	6	<b>48</b>
<b>8.00-8.15</b>	10	7	12	19	12	<b>60</b>
<b>8.15-8.30</b>	4	3	2	3	2	<b>14</b>
<b>8.30-8.45</b>	5	8	5	6	4	<b>28</b>
<b>8.45-9.00</b>	6	5	2	2	3	<b>18</b>
<b>Afternoons</b>						
<b>3.30-3.45</b>	3	8	5	8	4	<b>28</b>
<b>3.45-4.00</b>						
<b>4.00-4.15</b>	8	13	8	6	5	<b>40</b>
<b>4.15-4.30</b>	5	8	10	2	2	<b>27</b>
<b>4.30-4.45</b>	18	10	14	15	9	<b>66</b>
<b>4.45-5.00</b>	5	7	8	7	4	<b>31</b>
<b>5.00-5.15</b>	9	8	5	7		<b>29</b>

### 13.4.5 Development Application for Single Dwelling at Lot 421 Reginald Street, Wyndham

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Chris Rowe
<b>LOCATION:</b>	Lot 421 Reginald Street, Wyndham
<b>AUTHOR:</b>	Elle Davidson, Planning Officer
<b>REPORTING OFFICER:</b>	Nick Kearns, Director Community Development
<b>FILE NO:</b>	A216P

#### **PURPOSE**

For Council to consider a development application for a single dwelling at Lot 421 Reginald Street, Wyndham.

#### **BACKGROUND**

An application for planning approval was lodged on 28 January 2014 by Chris Rowe for the development of a single dwelling at Lot 421 Reginald Street, Wyndham.

The property is located on Reginald Street, Wyndham within the Wyndham Port precinct, has an area of 1,033m<sup>2</sup> and features a significant slope from the front to the rear of the block. The land is zoned Town Centre under *Town Planning Scheme No. 6 – Wyndham Townsite (TPS 6)* and is currently vacant. The property is surrounded by Unallocated Crown Land, part of which was formally a road reserve. Access to the site is via an unsealed road part of Macphee Street, which then changes to Reginald Street and remains unsealed.



Location of Property

#### *Proposal*

The applicant proposes to develop a single dwelling consisting of three bedrooms, a double garage and outdoor living area. The proposed building will span 24 metres x 8.4 metres with an ablution/laundry facility located at the back of the building. An elevated deck will be provided at the front of the property. A sloping skillion roof is proposed to both the deck and main building. The applicant proposes to clad the building with Colorbond to match the existing development in the locality.

## **STATUTORY IMPLICATIONS**

*Town Planning Scheme No. 6 – Wyndham Townsite*

The land at Lot 421 Reginald Street, Wyndham is zoned Town Centre under TPS 6. The objectives of this zone are:

- a) To zone adequate land for the continued development of a main commercial and community facility centre for the town;
- b) To prepare an overall Town Centre Strategy Policy to guide and promote development;
- c) To apply appropriate development and land use controls to ensure the development is to a satisfactory standard.

The proposed use is AA and therefore is a land use that requires Council's discretion.

## **POLICY IMPLICATIONS**

No policy implications apply in the preparation of this report.

## **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this item.

## **STRATEGIC IMPLICATIONS**

There are no strategic implications associated with this report.

## **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

## **COMMENT**

Although the block is zoned Town Centre, it is considered that development of a commercial nature on this property may not be appropriate due to access being gained from an unsealed road. The site is also quite restricted by the sloping nature of the topography and therefore development of a commercial nature may not be viable. Access to the site is currently gained via an unsealed road, where the existing road requires some upgrading prior to the occupation of the proposed dwelling.

The commercial activities of the Wyndham Port are located a significant distance from the property and therefore a commercial development would not connect with any town centre activity. It is further noted that the development surrounding the site are single dwellings and therefore the proposal fits within the existing context of the locality.

It is noted that the applicant has created an unapproved access through Unallocated Crown Land to the east of the property by filling in a gully and creating a vehicle track, as illustrated in the attached photos. This matter has been raised with the applicant and discussed with Department of Lands, which will be followed up by the appropriate compliance methods with the Department of Lands. An amendment has been made to the plan to indicate that the original access will be reinstated and bollards will prevent it from being utilised.

The proposal will fit within the current context of surrounding development and it is acknowledged that the development of a commercial use on the property is restricted by access and topography.

It is recommended that the application be approved subject to conditions.

### **ATTACHMENTS**

Attachment 1 – Proposed plans and submission

### **VOTING REQUIREMENT**

Simple Majority

### **OFFICER'S RECOMMENDATION**

That Council grants planning consent for a single dwelling at Lot 421 Reginald Street, Wyndham, subject to the following conditions:

- 1) Development shall be in accordance with the attached approved plan(s) and subject to any modifications required as a consequence of any condition(s) of this approval. The endorsed plans shall not be modified or altered without the prior written approval of the local government.
- 2) Prior to the occupation of the dwelling, the unapproved access is to be reinstated in consultation with Department of Lands and the Shire.
- 3) The upgrade of existing road to be constructed to a gravel surface finish to the satisfaction of the Director of Infrastructure.

### **COUNCIL DECISION**

**Minute No. 10324**

**Moved: Cr G King**

**Seconded: Cr D Spackman**

**That Council grants planning consent for a single dwelling at Lot 421 Reginald Street, Wyndham, subject to the following conditions:**

- 1) **Development shall be in accordance with the attached approved plan(s) and subject to any modifications required as a consequence of any condition(s) of this approval. The endorsed plans shall not be modified or altered without the prior written approval of the local government.**
- 2) **Prior to the occupation of the dwelling, the unapproved access is to be reinstated in consultation with Department of Lands and the Shire.**
- 3) **The upgrade of existing road to be constructed to a gravel surface finish to the satisfaction of the Director of Infrastructure.**

**Carried Unanimously 9/0**

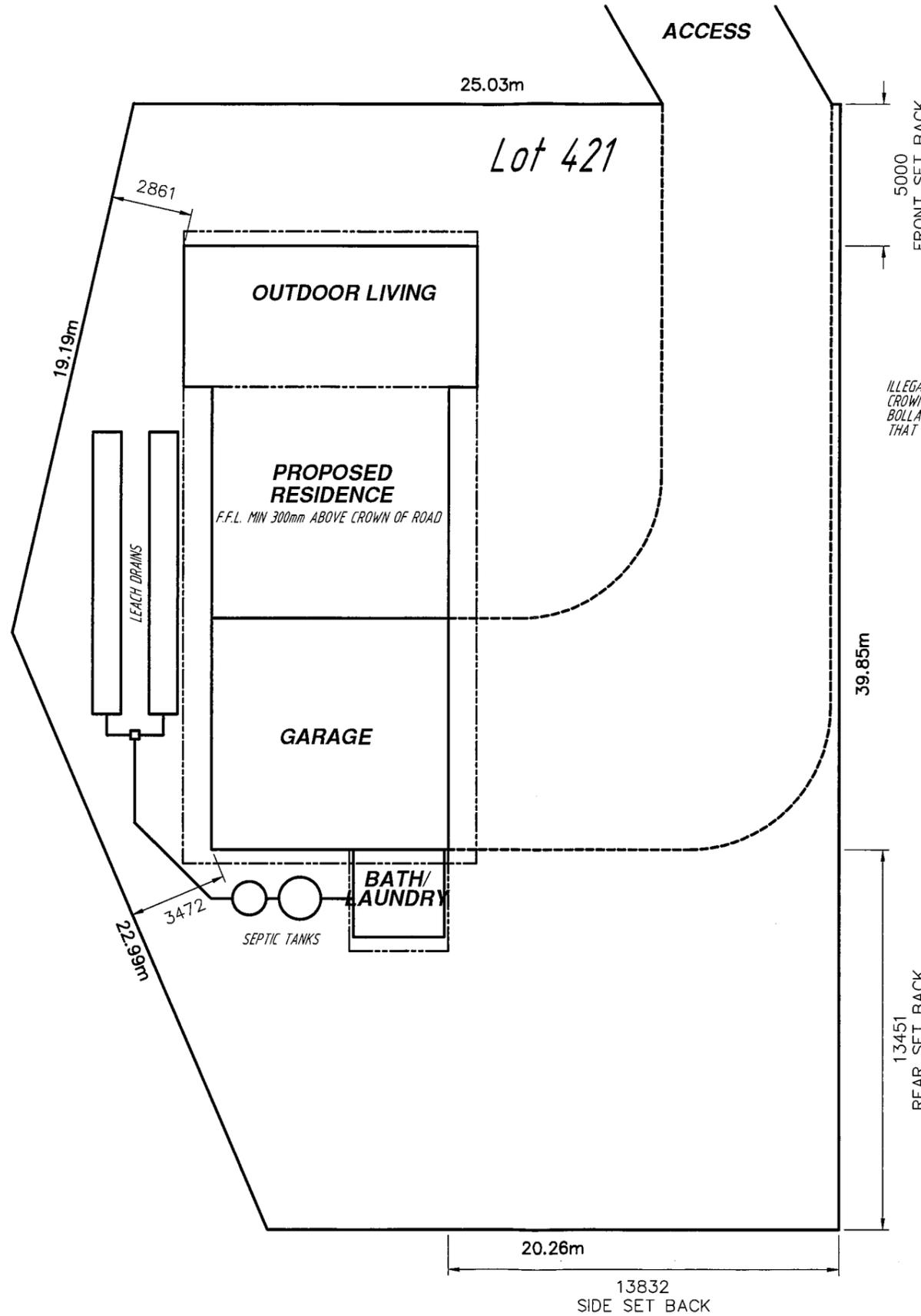
**LEGEND**

— SITE BOUNDARY

Attachment 1: Proposed Plans and Submission

*REGINALD STREET*

**HOUSE AREA**  
 HOUSE AREA – 77.98m<sup>2</sup>  
 OUTDOOR LIVING – 37.57m<sup>2</sup>  
 GARAGE AREA – 68.46m<sup>2</sup>  
 -----  
 TOTAL HOUSE AREA – 184.01m<sup>2</sup>  
 TOTAL SITE AREA – 1031.97m<sup>2</sup>



ILLEGAL ACCESS THROUGH UN ALLOCATED CROWN LAND WILL BE RE-INSTATED AND BOLLARDS WILL BE PLACED TO ENSURE THAT THIS ACCESS IS NOT UTILISED

REV  
0

title  
SITE PLAN  
scale 1:200  
295-S01

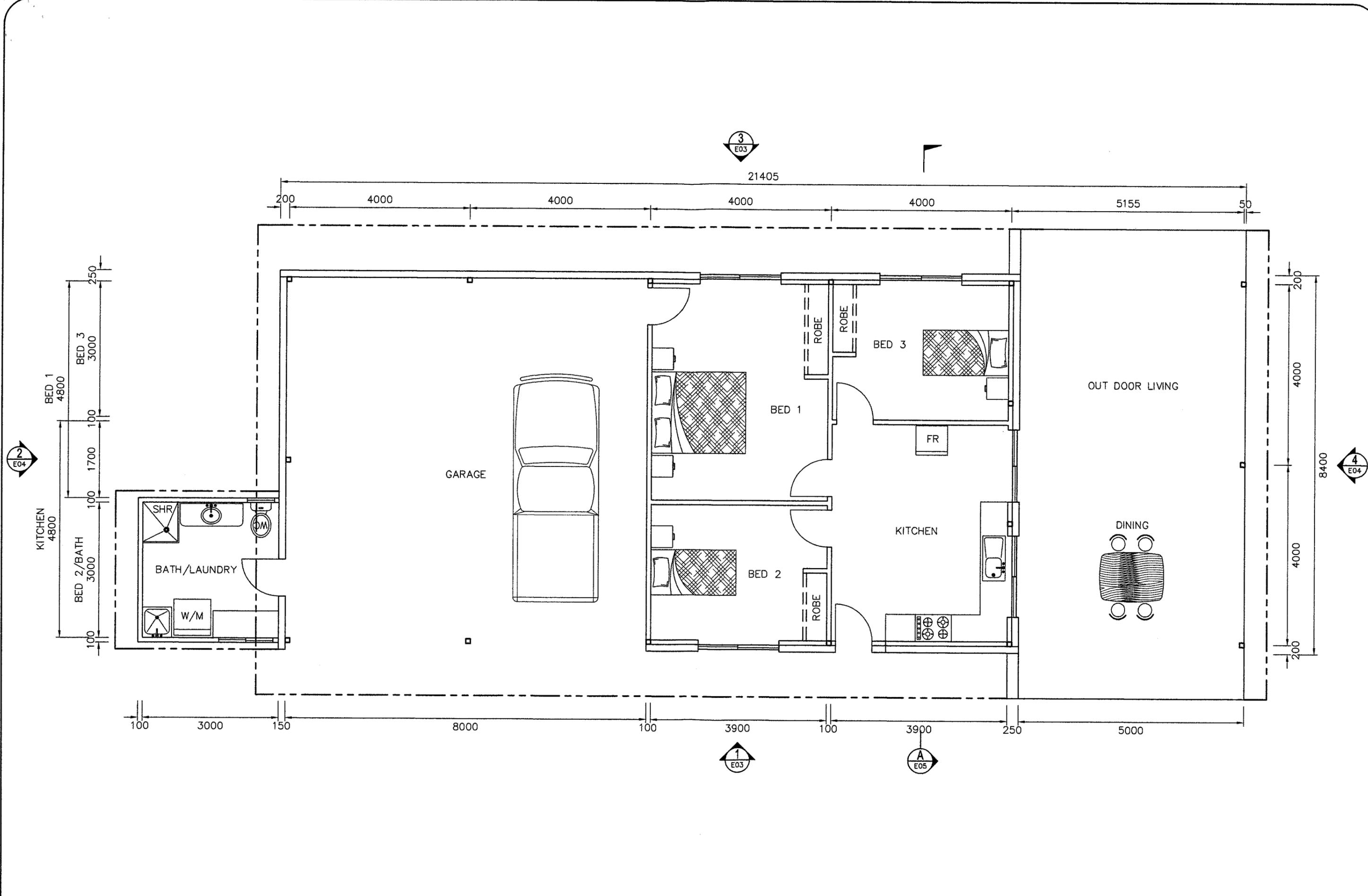
project  
PROPOSED NEW RESIDENCE  
LOT 421 REGINALD STREET  
WYNDHAM

client  
CHRIS ROWE  
builder  
DE CARPENTERS PTY LTD

25 February 2014

**NiCKAD**

DESIGN DRAFTING  
P.O. Box 2189 Kununurra WA 6743



REV  
0

title  
FLOOR PLAN  
scale 1:75  
295-E02

project  
PROPOSED NEW RESIDENCE  
LOT 421 REGINALD STREET  
WYNDHAM

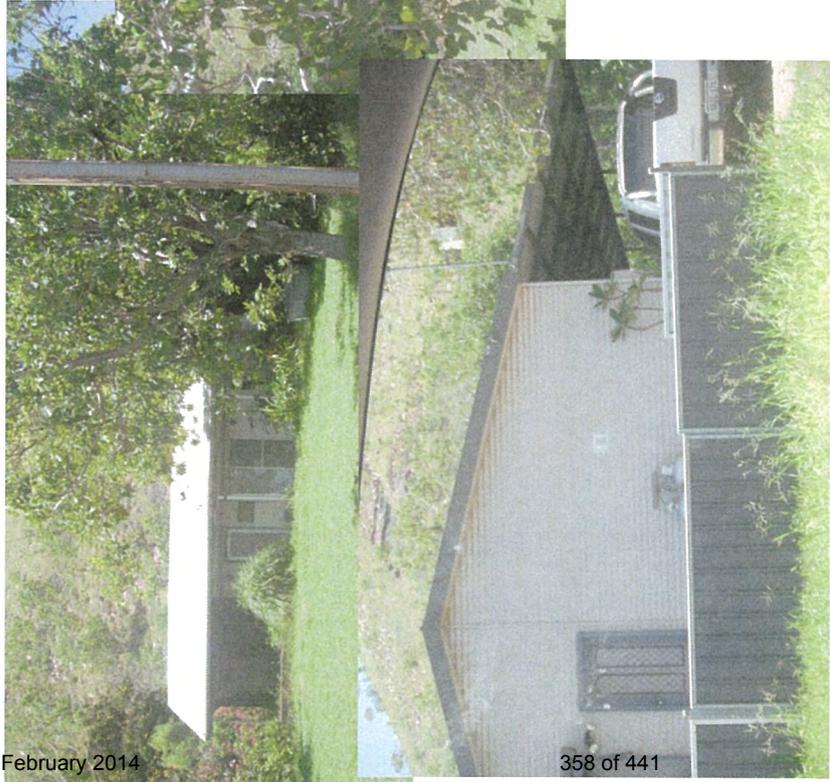
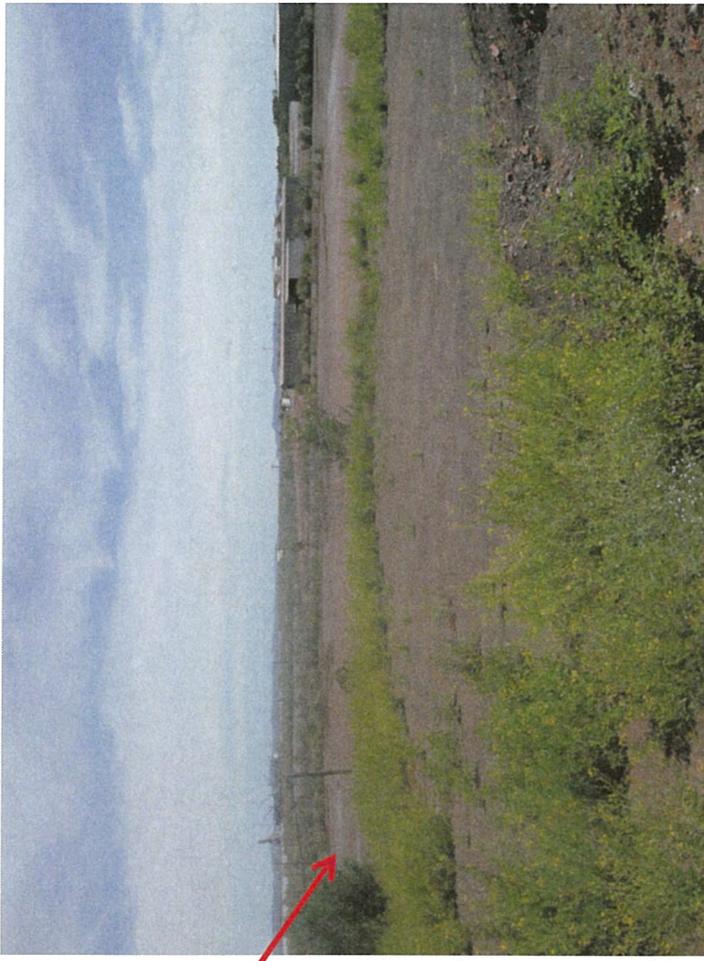
client  
CHRIS ROWE  
builder  
25 February 2014  
DE CARPENTERS PTY LTD

**NICKAD**

DESIGN DRAFTING  
P.O. Box 2189 Kununurra WA 6743  
357 of 441



House Site



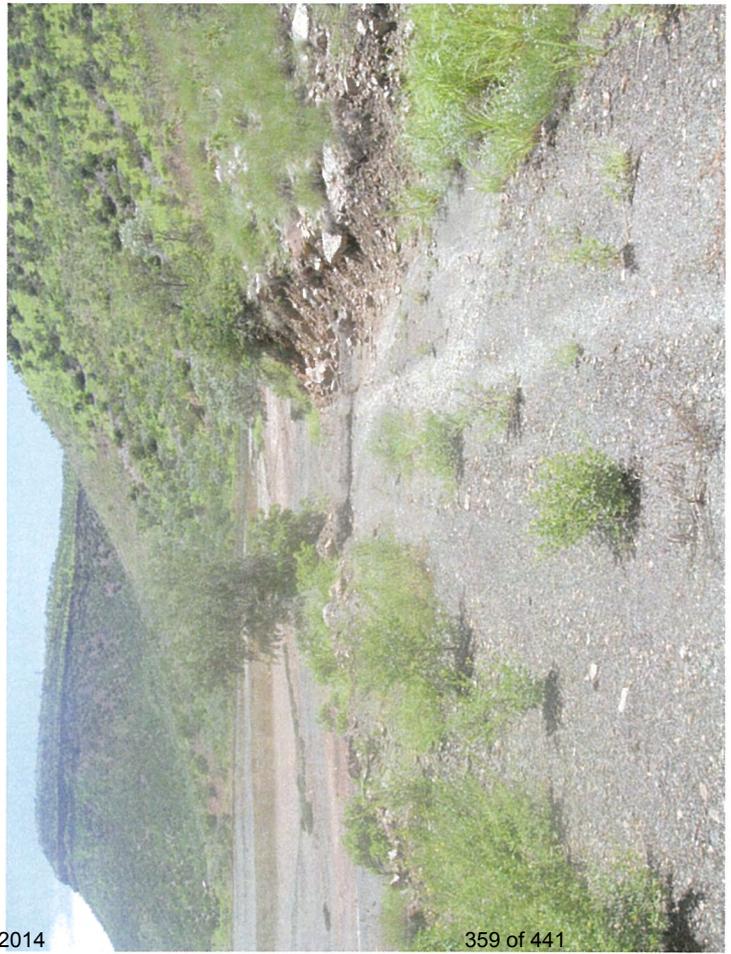
Adjoining Single Dwellings



Existing covered Access



Unapproved access



TO JENNIFER/ELLE,

I, CHRIS ROWE, WRITE THIS LETTER TO APPLY FOR TOWN PLANNING APPROVAL FOR A RESIDENCE TO BE CONSTRUCTED AT LOT 421/10 REGINALD ST WYNDHAM. THE ZONING FOR THIS AREA IS COMMERCIAL/RESIDENTIAL. THE VACANT BLOCK WITH WHICH I AM APPLYING TO BUILD ON HAS VACANT LAND SURROUNDING IT. THERE IS, HOWEVER, RESIDENTIAL LAND ADJACENT ON THE WESTERN SIDE. THE REMAINING BUILDINGS IN THE STREET ARE RESIDENTIAL WITHOUT ANY BEING COMMERCIAL AT ALL. THE REASON I AM NOT APPLYING FOR COMMERCIAL IS THAT IT WOULDNT BE VIABLE AT THIS TIME DUE TO ITS LOCATION AS IT IS OUT OF THE MAIN TRAFFIC THOROUGHFARE. THE MAIN CENTRAL HUB OF WYNDHAM IS THE THREE MILE, WITH THE PORT HAVING ONLY THREE BUSINESSES THAT I AM AWARE OF.

THE PROPOSED BUILDING AT 10 REGINALD ST WILL SHOW THAT IT IS STAYING WITHIN THE THEME OF THE PORT AS IT WILL BE CLAD WITH CORRUGATED IRON(CUSTOM ORB). THIS CAN BE EASILY IDENTIFIABLE BY LOOKING AT THE SEVERAL PHOTOS I HAVE INCLUDED ON THE LAST PAGE. THE COLOUR OF THE BUILDING WILL BE BLUE WITH BLACK FLASHING AND ADD TO THE AMMENITY OF THE SURROUNDING AREA WITH ITS NEW LOOK, MUCH LIKE THE TWO NEW HOUSES AT THE BOAT RAMP.

ACCESS TO THE LAND WILL BE FROM THE NORTH WITH AMPLE PARKING AREAS IN AND OUTSIDE THE GARAGE WITH THE ABILITY TO TURN ARUND IN THE OUTSIDE AREA WITH EASE. WITH THIS POINT IN MIND, AND THE FACT THERE WILL BE 920MM DOOR OPENINGS, NO STAIRS AND A LARGE ABLUTION BLOCK, A COMMERCIAL ENTERPRISE IS NOT LIMITED IF THE NEED EVER ARISES. 3 PHASE POWER WILL ALSO BE CONNECTED.

DRAINAGE HAS BEEN CARRIED OUT BY JSW WITH 100MM FALL OVER 16M. THE FRONT SLOPE OF THE BLOCK ON THE WESTERN SIDE OF THE ACCESS ROAD WILL HAVE A ROCK GARDEN TO FURTHER REDUCE EROSION WITH NATIVE PLANT SUCH AS BOAB TREES, SPINIFEX AND ACACIAS. OTHER NON NATIVE PLANTS SUCH AS VINKERS WILL BE USED ALSO. THE OVERALL FLOW OF THE WATER IS DIRECTED AT THE SAME RATE AS MENTIONED ABOVE INTO THE CREEK IN THE VACANT LAND ON THE WESTERN SIDE.

IF YOU HAVE ANY QUERIES PLEASE DO NOT HESITATE TO CALL ME ON 0439 826 520.

KKIND REGARDS,

CHRIS ROWE.

### 13.4.6 Development Application for Grouped Dwellings at Lot 2263 Casuarina Way, Kununurra

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Ingle Pty Ltd
<b>LOCATION:</b>	Lot 2263 Casuarina Way, Kununurra
<b>AUTHOR:</b>	Jennifer Ninyette, Senior Planning Officer
<b>REPORTING OFFICER:</b>	Nick Kearns, Director Community Development
<b>FILE NO:</b>	A6991P

#### **PURPOSE**

For Council to consider a development application for 13 Grouped Dwellings at Lot 2263 Casuarina Way, Kununurra.

#### **BACKGROUND**

An application for planning approval was lodged on 6 January 2014 by Ingle Pty Ltd for the development of 13 permanent residential units (Grouped Dwellings) at Lakeside Resort.

The property is located at Lot 2263 Casuarina Way in Lakeside and has an area of 1.69 ha. The land is zoned 'Tourist' under *Town Planning Scheme No. 7 – Kununurra and Environs (TPS 7)*.

The property currently contains a total of 70 accommodation units (ranging in standard and facilities provided), 20 caravan sites, an administration building including office and restaurant, outdoor bar and dining area, swimming pool, camp kitchen, ablution block for camping areas. The owner also leases adjoining foreshore land from the Shire which has been developed for additional caravan and camping bays.

#### *Proposal*

The applicant proposes to modify 26 existing motel rooms, located in the north east corner of the property, into 13 single bedroom permanent residential units. The proposed development site area is approximately 3100m<sup>2</sup>, being approximately a fifth of the total lot area.

Under Town Planning Scheme No. 7 – Kununurra and Environs, Council may approve permanent residential use within the Tourist Zone to a maximum of 30% of the number of units, rooms or caravans/cabins approved for the site. The application proposes a total of 14 permanent residential units (including the existing manager's residence) on the site, which would result in a permanent residential use of 18%.

The development will include internal modifications to existing structures including new doorways between party walls to combine existing motel rooms, removing bathrooms and kitchenettes, and refitting cupboards, kitchens, lighting and floor tiling.

External modifications proposed include modifying doors and window openings, enclosing existing verandah areas to provide internal cupboard space, the provision of external storerooms, laundries and 'powder rooms', as well as screened courtyards or deck areas.

The main living area for each unit will be approximately 58m<sup>2</sup> in area, consisting of a combined kitchen/living area, a bedroom, internal and external bathrooms, storeroom and laundry.

Vehicular access to the residential units is only accessible via the main entry to the resort. The development area is proposed to be fenced to provide for security, which will result in new 'Modwood' solid and slat fencing facing Casuarina Way and the existing resort entry, with pool style tubular fencing proposed facing the adjoining foreshore reserve and internally. A main pedestrian gate is proposed to allow occupiers of the units to access resort facilities, with individual gates also proposed for those units adjoining the foreshore reserve.

The development also includes a bin enclosure accessible within the resort complex which is to be screened using Modwood slat screens to match the courtyards and some of the fencing.

An application for a building permit will be required.

## **STATUTORY IMPLICATIONS**

### *Town Planning Scheme No. 7 – Kununurra and Environs*

The land at Lot 2263 Casuarina Way is zoned Tourist under TPS 7. The objectives of this zone are to encourage tourist accommodation and activity in areas adjacent to attractive natural and man-made features, and encourage a high standard of aesthetic quality, landscaping and presentation.

The proposed residential use is an SA use and therefore is a land use that requires Council's discretion, after notice of the application has been given. Notification letters have been sent to landowners in proximity to the proposed development, and a sign was also placed on site advertising the proposed redevelopment.

### *Residential Design Codes of Western Australia*

The proposed permanent residential units are required to be assessed against the acceptable provisions/criteria for single bedroom dwellings as outlined in the Residential Design Codes of Western Australia (R Codes).

As the application is essentially modifying existing structures, this assessment is limited to the following factors, and has been assessed on an assumed coding of R50:

- 1) Outdoor Living Area
- 2) Parking
- 3) Essential Facilities

### OUTDOOR LIVING AREA

The R Codes states that each unit is to be provided with outdoor living areas capable of use in conjunction with a habitable room of the dwelling, and for a single bedroom dwelling for the R50 density a minimum of 10.66m<sup>2</sup>

Each unit, as a minimum, has been provided a rear yard of approximately 22m<sup>2</sup> which includes a patio deck of 11.9m<sup>2</sup>. Eight of the proposed dwellings (Units 3 – 8) are also to be provided with a screened courtyard at the front of the unit, and four of the proposed dwellings (Units 9 – 13) are each provided with a larger rear yard and patio deck.

It is also noted that all residents/occupants have access to the communal facilities which include the swimming pool, camp kitchen and lawn recreation areas as well as access to the foreshore.

## PARKING

As the proposed units are single bedroom the parking requirement is only one bay per dwelling and one visitor bay per every 4 units, to be rounded up. Therefore a minimum of 17 bays are required to be provided for the residential component of the development, and a total of 18 bays have been indicated on the overall site plan.

## ESSENTIAL FACILITIES

There are a number of essential facilities that are required to be provided for grouped dwellings which includes external location of storeroom, rubbish collection/bin areas, and clothes drying areas where these are:

- 1) Convenient for residents
- 2) Screened from view;
- 3) Able to be secured and managed; and
- 4) Rubbish collection areas which can be accessed by service vehicles.

A clothesline has been indicated for each unit, which for those units adjoining the foreshore reserve (Units 1- 8) are located between the dwelling and the external laundry to ensure they are adequately screened from view. For the remaining units (Units 9 – 10) the area indicated for clothes drying will be adequately screened by fencing to the rear yards.

Each unit has also been provided with an external storeroom with an internal area of at least 3m<sup>2</sup>. The R Codes specify that an enclosed lockable storage area would satisfy the deemed-to-comply requirements for grouped dwellings. However, as the proposed dwellings are single bedroom dwellings, this requirement only needs to be complied with if considered relevant.

The applicant has requested a reduced area be approved for the storerooms on the basis that each unit would have a limited garden size.

The development includes a screened bin enclosure, however as this is only accessible via a security gate it is unclear as to whether it can be accessed by service vehicles for rubbish collection. It is understood that rubbish collection for the Lakeside Resort already occurs onsite, and it is considered that this would continue for the proposed redevelopment.

## **POLICY IMPLICATIONS**

No policy implications apply in the preparation of this report.

## **FINANCIAL IMPLICATIONS**

The application fee of \$1985.50 has been paid.

## **STRATEGIC IMPLICATIONS**

This project aligns to the Strategic Community Plan 2012-2022. In particular this project addresses the following strategies:

- 2.2.7 Advocate for a range of affordable housing options and styles that cater to a broad market including key worker housing.

## **COMMUNITY CONSULTATION**

A sign was placed on the site and notification letters sent to surrounding landowners on 21 January 2014 advising of the proposed development and allowing for submissions until 11 February 2014. No submissions were received during this period.

## **COMMENT**

The applicant wishes to provide permanent residential units to enable prospective investors to invest in the development; however these purchasers will be given the opportunity to include any of these apartments in the managed pool of accommodation for short to medium usage.

It is intended that these apartments would be suited for longer-stay occupants such as professionals or workers undertaking short to medium term contracts, i.e. from 3 months to 2 years, in the region.

The main things required to be considered in regard to changing the use of these apartments are:

- 1) The request to reduce the size of external enclosed storage areas per each apartment, as generally required under the R Codes; and
- 2) How the proposed development will impact on the existing entry to Lakeside Resort, including parking within this area.

In regard to the storage areas, the R Codes allow for a reasonable amount of flexibility in relation to single bedroom dwellings, and ultimately the onus is on Council to consider if the proposal is in line with the future desired built form for Kununurra. It is considered that the size of the proposed storage area is adequate for the size and type of residential accommodation proposed, and would therefore be adequate for occupants needs.

Council has previously approved a development that allowed reduced storage area based on the small size of the units (single bedroom) and the fact that maintenance of surrounding gardens etc. is undertaken by the managing body, therefore there is no need to store large garden implements or the like.

The size, location and style of accommodation proposed will also determine the type of purchaser and occupiers of the units; i.e. potential tenants will be aware of the limitation of storage, and will be likely be transient residents or people on short to medium term contracts that will not require lots of storage, and would be able to meet the performance criteria because they are adequate for the needs of the occupiers.

It is also acknowledged that these units may remain in the management pool, and the main purpose of the change of use is to encourage investors to purchase the units, with the sale to fund completion (Stage 3) of the development.

The overall site plan shows a proposed realignment of parking opposite the administration and restaurant building and the internal resort access road, and proposes additional parking onsite which may be used by people initially checking into the resort and people other than guests that may use facilities such as the restaurant and bar. Therefore it is considered that the development will not adversely impact on existing access to, and parking within, the resort.

Ultimately the proposed redevelopment will remain, and appear, as part of the resort and will provide another housing option within Kununurra, whilst also resulting in refurbishment of the resort. The application is therefore recommend for approval.

## **ATTACHMENTS**

Attachment 1 – Submission and Plans

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That Council grants planning consent for 13 Grouped Dwellings at Lot 2263 Casuarina Way, Kununurra, subject to the following conditions:

- 1) Development shall be in accordance with the attached approved plan(s) and subject to any modifications required as a consequence of any condition(s) of this approval. The endorsed plans shall not be modified or altered without the prior written approval of the local government.
- 2) The provision of a minimum of 17 car parking bays, being one bay per residential unit and a minimum of 4 visitor car parking bays.
- 3) Vehicle parking, manoeuvring and circulation areas to be developed in accordance with AS/NZS 2890 1:2004 Parking facilities: Off-street car parking.
- 4) A bin enclosure area capable of storing an equivalent of 13 standard rubbish bins shall be provided for the permanent residential unit development. The enclosure is to be built of the same materials as the walls of the predominant building or boundary fencing, and the entrance is to be screened via gates to the satisfaction of Council. Access to this bin enclosure must be made available to waste collection services for removal of waste on-site as required or directed and bins are not to be placed on the Casuarina Way road reserve. The bin enclosure shall include wash down facilities discharging into a stormwater drain.
- 5) All stormwater from the proposed development must be retained onsite at all times to the satisfaction of the Shire.
- 6) Landscaping must be in accordance with the approved site plan and completed prior to occupation of the development, and must be maintained at all times to the satisfaction of the Shire.

## **Motion**

Cr K Wright moves that Council adopts the Officer's Recommendation with the following amendment to point 5. "Discharge all stormwater into the Shires stormwater system to the satisfaction of the Shire"

## **COUNCIL DECISION**

**Minute No. 10325**

**Moved: Cr S Cooke**

**Seconded: Cr D Learbuch**

**That Council grants planning consent for 13 Grouped Dwellings at Lot 2263 Casuarina Way, Kununurra, subject to the following conditions:**

- 1) Development shall be in accordance with the attached approved plan(s) and subject to any modifications required as a consequence of any condition(s) of this approval. The endorsed plans shall not be modified or altered without the prior written approval of the local government.**
- 2) The provision of a minimum of 17 car parking bays, being one bay per residential unit and a minimum of 4 visitor car parking bays.**
- 3) Vehicle parking, manoeuvring and circulation areas to be developed in accordance with AS/NZS 2890 1:2004 Parking facilities: Off-street car parking.**
- 4) A bin enclosure area capable of storing an equivalent of 13 standard rubbish bins shall be provided for the permanent residential unit development. The enclosure is to be built of the same materials as the walls of the predominant building or boundary fencing, and the entrance is to be screened via gates to the satisfaction of Council. Access to this bin enclosure must be made available to waste collection services for removal of waste on-site as required or directed and bins are not to be placed on the Casuarina Way road reserve. The bin enclosure shall include wash down facilities discharging into a stormwater drain.**
- 5) Discharge all stormwater into the shires stormwater system to the satisfaction of the shire**
- 6) Landscaping must be in accordance with the approved site plan and completed prior to occupation of the development, and must be maintained at all times to the satisfaction of the Shire.**

**Carried Unanimously 9/0**



Shire Wyndham-East Kimberley  
PO Box 614  
KUNUNURRA WA 6743

Attention: Mr Nick Kearns, Director of Development Services  
Jennifer Ninnette, Senior Planning Officer

Dear Nick & Jennifer

**RE: I. CHANGE FROM SHORT STAY TO PERMANENT ACCOMMODATION**  
**II. APPLICATION FOR DEVELOPMENT APPROVAL INGLE PTY LTD**  
**t/a KUNUNURRA LAKESIDE RESORT**

Please find attached the proposal for the redevelopment of Kununurra Lakeside Resort. This proposal includes the request for change from short - stay to permanent accommodation.

As advised in my letter to you in September 2013 the over arching proposal will be in three (3) stages.

*Stage 1* will be self funded by the Owners and Director's of Kununurra Lakeside Resort and work has commenced on the maintenance and refurbishment of the original motel units.

*Stage 2* is planned to commence in September 2014 subject to approvals and financial considerations being received. Details of the application for development approval is attached including a request for change from short stay to permanent accommodation.

In respect to the request for change we refer Shire to a letter tabled at the full meeting of Council on 11 December 2012 (12.4.4.) and a letter from Planning Consultants Algeri Planning and Appeals dated 21 November 2012, in which approval to change was sought. Council approved the application for change for the project in question, situate at Lot 961 Bandicoot Drive Kununurra (Minute number 9950).

*Stage 3* is planned to be undertaken following the sale of the thirteen (13) villas in Stage 2



The Owner is proud of the potential that this projects provides and reflects his total commitment and dedication to the future of the tourism industry in Kununurra.

The following application is submitted in good faith and the undersigned would be pleased to discuss any component of the content with Shire Staff at any time.

Yours sincerely

L. McKenzie  
18 February 2014



***SUBMISSION TO***  
***SHIRE WYNDHAM EAST KIMBERLEY***

***FOR***

**I. CHANGE FROM SHORT STAY TO PERMANENT  
ACCOMMODATION**

**II. APPLICATION FOR DEVELOPMENT APPROVAL  
INGLE PTY LTD  
t/a KUNUNURRA LAKESIDE RESORT**





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## **EXECUTIVE SUMMARY:**

### **Stage I.**

This stage commenced in December 2013 to take advantage of the quieter tourism season at this time of year and does not require approval from Shire as the works will consist of the maintenance, refurbishing and upgrading of the original twenty four (24) motel units.

The Owner is committed to the ongoing success of Kununurra Lakeside Resort and has provided funds to the works of *Three Hundred and Fourteen Thousand Dollars (\$314,000.00)*

Components of each unit that will be upgraded include:

- Total removal of all existing furnishings, fittings, tiles, carpets, benches etc in each Unit.
- Provide each Unit with mosaic tiles throughout including wet areas.
- Install new plumbing, shower and tap fittings in each unit.
- Install new furnishing in each Unit.
- Introduce swipe card access facilities to the property
- Repaint each Unit inside and out.

### **Stage II.**

Work this stage of the development of Kununurra Lakeside Resort is scheduled to commence in September 2014 and subject to ensure that the necessary approvals and financials are in place.

The details for the approval from Shire Wyndham East Kimberley is detailed in the following pages.

In addition to approvals from Shire the proponent is in the process of securing financial considerations for this Stage. Note that the financial cost of Stage 1 is being met completely by the owner.



**Stage III.**

Is planned to be undertaken following the sale of the thirteen (13) Villa's in Stage II and will include an all weather fully air conditioned licensed restaurant and bar. This will replace the existing Durack Restaurant and bar.

In addition the existing Sails bar area will be upgraded to include an all weather bar facility that will be placed in a secure "lock up" situation for out of trade hours when appropriate. In a far reaching decision the Owner's have flagged the possibility of the existing Durack Room being converted to future conference and meeting room facility.

Details of Stage III are advised as a courtesy, and our application is restricted to Stage II.





### **TIMELINE:**

- ✿ December 2013 onwards
  - Planning and design completed for Stage II.
  - Refurbishment and upgrade existing motel units together with upgrade security access.
- ✿ January 2014.
  - Development approval of Application to Shire Wyndham East Kimberley for Change of Status and Application for Development of Stage II
- ✿ February 2014.
  - Application to financial provider for facility provision and preliminary approval.
  - State Planning Commission approval
- ✿ April 2014
  - Financial approval and building licence granted
- ✿ May 2014
  - Commencement of the pre selling process of the Villa's
- ✿ July 2014
  - Commencement of the Stage II external buildings
- ✿ September 2014.
  - Commencement Stage II Internal building process
- ✿ April 2015
  - Completion Stage II
- ✿ May 2015
  - Development open for inspection

Note: Architectural plans are attached.



## **STAGE II PROPOSAL:**

It is planned that Twenty Six (26) existing units within the village area, situate along the Northern side of the property, be:

1. Modified to Thirteen (13) strata title permanent accommodation units for sale to the general public for permanent living.
2. Creating an investment opportunity for potential purchasers, thereby gaining a financial return by placing all of the units into the managed pool of motel units that will be operated by the resort under its current structure.
3. Reasonable separation between the proposed Strata Titled Units would be provided, while maintaining full access to the resort facilities via court yards and patios created front and rear of the units. This will provide owners and/or guest with enlarged living space, each with a double car park area, weather proof external storage and built in laundry facilities to each unit.
4. Pedestrian access to the resort would be via an electronic swipe card system. This system will also operate a two vehicle sliding security gate - one for entry into and the other for exiting out of the resort.
5. An individual pedestrian access gate would be installed at a relevant point on the complex. This will be operated by the electronic swipe card system creating easy access for owners and guests to restaurants, bars, swimming pool, lake frontage, hire boats and recreational areas within the resort.
6. All thirteen (13) villas would be refitted with modern cupboards, kitchens, superior lighting, floor tiling and floor coverings and include window treatments.
7. Each villa will be provided with a storage room facility, however the application seeks approval for variation due to the reduced size of the storeroom as a result of limited garden size.
8. Each villa will include a purpose built laundry facility.



The original development (Approval: Lot 2263 on Plan/Diagram 87973 to Volume / Folio 1950/502 dated 10 September 1998.) took into account all necessary building codes to conform with the Strata Titles General regulations Act 1996, and was approved by both the Shire of Wyndham East Kimberley and the Western Australian Planning Commission at the time of the original building and original building design.

**LAND USE PURPOSE:**

Kununurra Lakeside Resort was built in 1993 and currently consists of the following units of accommodation.

Current use of the land is as follows:

- Twenty four (24) motel units and one (1) Mangers residence
- Twenty six (26) self catering units (proposed reduction of thirteen (13) of these self catering units to be designated permanent residential)
- Twenty (20) workers self contained units with ensuite
- Twenty (20) caravan sites

This comprises a total of seventy eight (78) dwelling type units in anticipation of approval of the application for development being obtained.

Should the application be approved this would realise the thirteen (13) units having a ratio of thirteen (13) over Fifty Eight (58) units or 22% of the units being determined as permanent residential use.



### **RELATIONSHIP: RESIDENTIAL UNITS TO SHORT TERM ACCOMMODATION**

The Owner has enjoyed twenty (20) years experience in the day to day running of the accommodation facility that is Kununurra Lakeside Resort. During that time he has overseen the development of the short term visitor and those who have stayed for longer periods, both by choice and work requirements.

The mix has been a positive one as tourist staying at the Resort arrive from all parts of WA, Australia and Overseas and they are well versed in enjoying the opportunity to mingle with "local" residents and understand the potential in living in a remote location in Australia. This relationship is twofold as those who have stayed for longer in Kununurra appreciate the opportunity to learn of other regions, states and lands.

Notwithstanding, the intermingling between the two groups does allow each to respect each other's right to privacy and enjoy the ambience that the resort offers.

### **VISITOR ARRIVALS:**

One of the major reasons why this project is being undertaken is that the Owners have become concerned with the falling number of guests staying at the resort and thereby follows of the reduced number of arrivals into Kununurra.

This trend has been developing for the past few years and is to the Owners credit that in their view this initiative will rekindle the level of arrivals to the resort by providing an increased standard of accommodation. The property is intending to attract a AAA rating of 4.0 - 4.5 at the conclusion of the Stage II development.



### **CURRENT STATUS OF RESORT:**

As stated above Lakeside Resort was completed in 1993 and in those twenty (20) years the Resort has enjoyed growth and success in line with the growth and success of Kununurra as a tourist destination.

There has only been one owner of the Resort in all that time and he has played a hands on role over all facets of the development of the property since its inception.

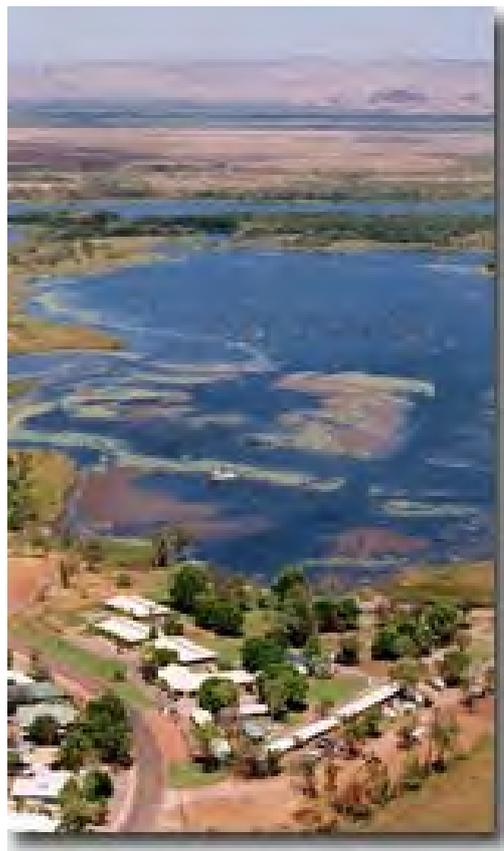
Laurie McKenzie sets high standards for Lakeside Resort and for some time has been aware of the need to change direction slightly to ensure the future ongoing success of a very successful and highly regarded property.

Management of the resort has been aware of the changing habits and patterns of the tourist industry for some time. The need for the complete refurbishment and amendment to the permanent residential Villa's is brought about by these changes and they include:

- The number of touring and 4WD coaches without confirmed accommodation bookings with the property has decreased and this drop off is in line with the corresponding number of tour coaches visiting the Region generally.
- The previously popular and successful number of self catering coaches each year has become non-existent.
- There has been a large decrease in European visitors in the self drive segment, who previously enjoyed travelling through the region in the Wet Season.
- There has been a gradual decline in tourist movement generally throughout the Region.
- The completion of Stage II of the Ord River Irrigation project has seen a decline of the workforce required for this project.

# Lakeside Resort

The ageing of our product requires a new and modern approach for tourist facilities offered to visitors as they apply to Kununurra Lakeside Resort. Preferences have changed over time and apartment type accommodation utilising strata title sale of units to fund much of the development will ensure that Kununurra Lakeside Resort will remain where it should be and that is as a highly regarded, popular and successful property in Kununurra that will attract residents, locals and tourists alike over many years into the future.



12

THE GATEWAY TO THE KIMBERLEY  
WESTERN AUSTRALIA



We trust that our application satisfies the requirements of the Shire and we would welcome further discussion on any matter pertaining to our proposal.

We look forward to receiving a favourable response to our application and remain

Yours sincerely,

Laurie McKenzie  
Owner  
Kununurra Lakeside Resort  
18 February 2014

Attachments:

1. Architectural Plans for the development
2. Shire East Kimberley official Application Form for development application approval (DA)

# Proposed Permanent Residential Development

Kununurra Lakeside Resort  
Casuarina Way, Kununurra, WA

February, 2014



Sheet No.

Title

Drawings printed to scale  
on A1 size sheet.

1	Proposed Lakeside Resort Site Plan
2	Existing Lakeside Resort Site Plan
3	Detail Site Plan - Permanent Residential Development
4	Site Set Out Plan- Permanent Residential Development
5	Proposed Floor Plans: Units 1-2
6	Detail & Existing Floor Plans: Units 1-2
7	Proposed Elevations: Units 1-2
8	Proposed Floor Plans: Units 3-8
9	Detail & Existing Floor Plans: Units 3-8
10	Proposed Elevations: Units 3-8
11	Proposed Floor Plans: Units 9-10
12	Detail & Existing Floor Plans: Units 9-10
13	Proposed Elevations: Units 9-10
14	Proposed Floor Plans: Units 11-13
15	Detail & Existing Floor Plans: Units 11-13
16	Proposed Elevations: Units 11-13
17	Proposed Elevations: Outbuildings

12th Feb.14	PD4	Amended Drawings Issued for Dev. Approval.
6th Feb.14	PD3	Amended Drawings Issued for Dev. Approval.
19th Dec.13	PD2	Amended Drawings Issued for Dev. Approval.
8th Nov.13	PD1	Issued for Development Approval

Date Issue Comments

**PLANNING DRAWING**  
**Issued for Dev. Consent**

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ph 08 83815966  
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Proposed Permanent Residential Development : Site Area (approx): 3100m2  
 Note existing building location to be confirmed and is subject to a site survey.

Building locations approximate only and subject to Site Survey.

**PLANNING DRAWING**  
**Issued for Dev. Consent**

12th Feb.14	PD4	Revised Site Plan to suit General Amendments
6th Feb.14	PD3	Revised Site Plan to suit General Amendments
19th Dec.13	PD2	Revised Site Plan to suit General Amendments
8th Nov.13	PD1	Issued for Development Approval

Date Issue Comments



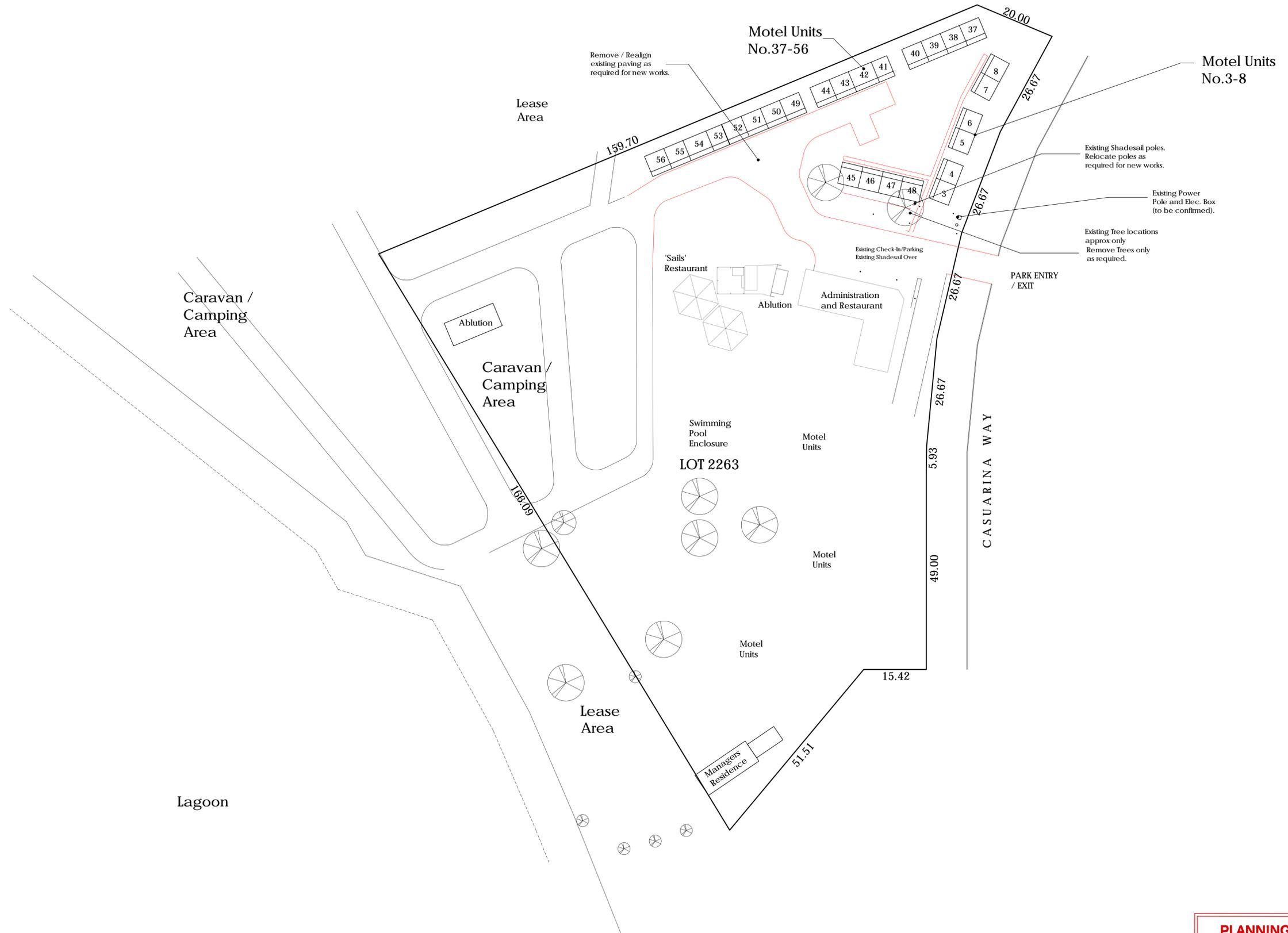
## Proposed Site Plan - Kununurra Lakeside Resort

SCALE 1 : 500  
 0 25m

Drawing printed to scale on A1 size sheet.

Site: Lakeside Resort	Drawing Scale: As Shown
Address: Casuarina Way, KUNUNURRA	Sheet: 1 of 17
Project: Resort Upgrades	Project No.: 13.11.01
Drawing: Resort Master Plan	Drawing Issue: PD4
	Date of Issue: 13 Feb.14
	Drawn: MCA
	Checked: J.R.
	Sheet Size: A1

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12th Feb.14	PD4	Revised Site Plan to suit General Amendments
6th Feb.14	PD3	Revised Site Plan to suit General Amendments
19th Dec.13	PD2	Revised Site Plan to suit General Amendments
8th Nov.13	PD1	Issued for Development Approval

Date Issue Comments



Approx North

## Existing Site Plan - Kununurra Lakeside Resort

SCALE 1 : 500  
0 25m

Drawing printed to scale  
on A1 size sheet.

Building locations approximate  
only and subject to Site Survey.

**PLANNING DRAWING**  
**Issued for Dev. Consent**

Site: Lakeside Resort	Drawing Scale: As Shown
Address: Casuarina Way, KUNUNURRA	Sheet: 2 of 17
Project: Resort Upgrades	Project No.: 13.11.01
Drawing: Existing Site Plan	Drawing Issue: PD4
	Date of Issue: 13 Feb.14
	Drawn: MCA
	Checked: J.R.
	Sheet Size: A1

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email. plans@westerndesign.com.au

**Proposed Permanent Residential Development - Units No. U1-U13**

Proposed Permanent Residential Development : Site Area (approx): 3100m<sup>2</sup>  
 Note existing building location to be confirmed and is subject to a site survey.



**CASUARINA WAY**

159.70

20.00

26.67

26.67

26.67

Date	Issue	Comments
12th Feb.14	PD4	Revised Site Plan to suit General Amendments
6th Feb.14	PD3	Show Street View. Revised Site Plan to suit General Amendments
19th Dec.13	PD2	Entry/Exit to Perm. Res. Development revised. Outbuildings revised U11-13.
8th Nov.13	PD1	Issued for Development Approval

2.5m high Colorbond clad outbuilding parapet wall on boundary.  
 2.2m high Modwood slat fencing on boundary.

**Street View - Casuarina Way**  
 SCALE 1 : 200



**Detail Site Plan - Permanent Residential Development Kununurra Lakeside Resort**

SCALE 1 : 200  
 0 10m

Drawing printed to scale on A1 size sheet.

**PLANNING DRAWING**  
 Issued for Dev. Consent

Site: Lakeside Resort	Drawing Scale: As Shown
Address: Casuarina Way, KUNUNURRA	Sheet: 3 of 17
Project: Permanent Residential Development	Project No.: 1311.01
Drawing: Detail Site Plan	Drawing Issue: PD4
	Date of Issue: 13 Feb.14
	Drawn: MCA
	Checked: J.R.
	Sheet Size: A1

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**Fencing Schedule:**  
 Tubular Steel Fencing: 2.0m high powder coated steel fencing panels (black).  
 Modwood Screens: 2.0m high (UNO) Modwood composite timber slat screening (6mm gaps).  
 Automatic Sliding Gate: 2.0m high powder coated steel sliding gate (black) with keycode access.  
 Outbuilding Walls: 2.4m high Comugated Colorbond wall cladding (Refer Color Consultant).

Permanent Residential Development Site Area: 3100m<sup>2</sup>

**PLANNING DRAWING**  
 Issued for Dev. Consent

Date	Issue	Comments
12th Feb.14	PD4	Revised Site Plan to suit General Amendments
6th Feb.14	PD3	General Revisions to Site Setout Plan
19th Dec.13	PD2	Fence Layout Plan added
8th Nov.13	PD1	Issued for Development Approval



# Site Setout Plan - Permanent Residential Development Kununurra Lakeside Resort

SCALE 1 : 200  
 0 10m

Drawing printed to scale on A1 size sheet.

Site: Lakeside Resort	Drawing Scale: As Shown
Address: Casuarina Way, KUNUNURRA	Sheet: 4 of 17
Project: Permanent Residential Development	Project No.: 13.11.01
Drawing: Site Setout Plan	Drawing Issue: PD4
	Date of Issue: 13 Feb.14
	Drawn: MCA
	Checked: J.R.
	Sheet Size: A1

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# Proposed Floor Plans

SCALE 1 : 50  
0 2.5m

Drawing printed to scale  
on A1 size sheet.

Proposed 1 Bedroom Units U1-U2.  
Refer Detailed Floor Plan next sheet

## Building Areas:

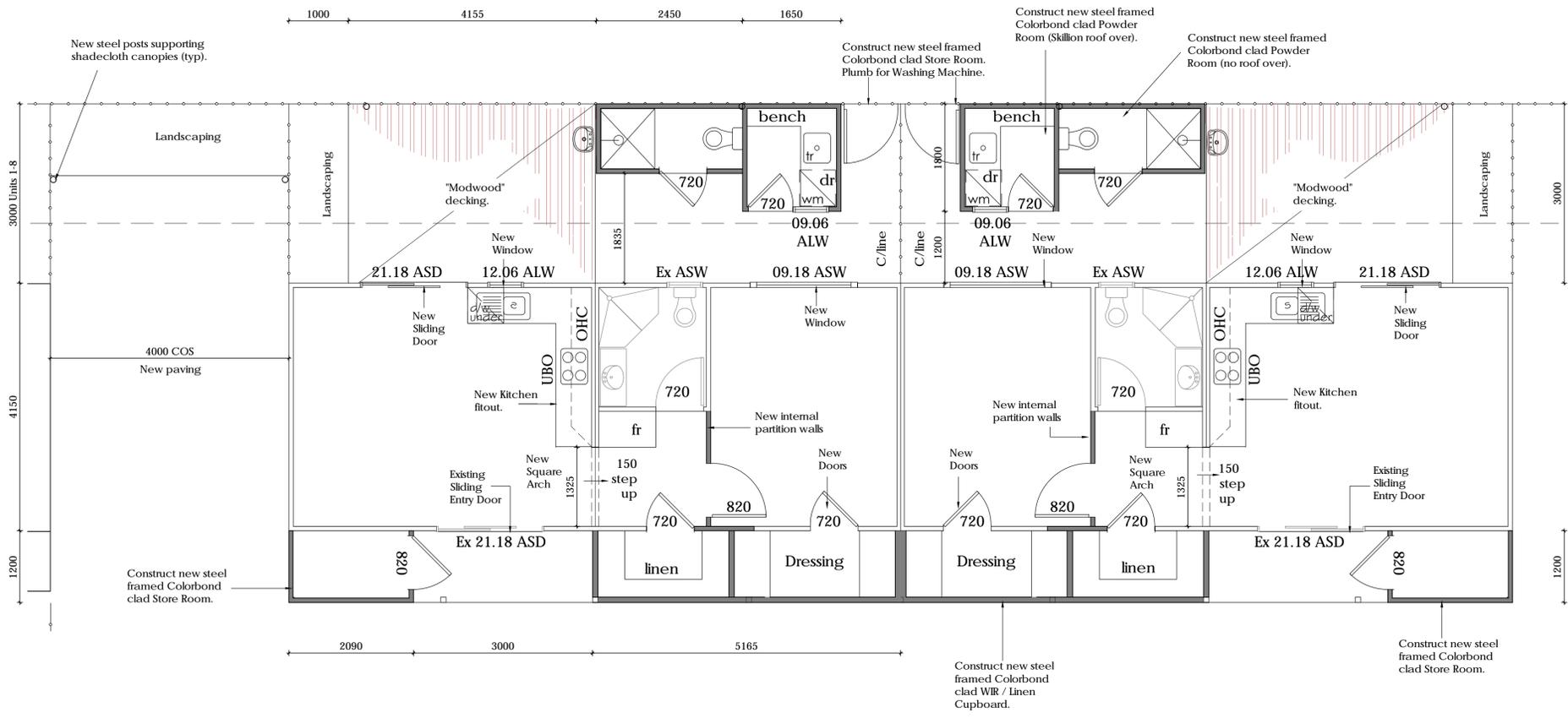
Living Area: 58.0m<sup>2</sup> incl Store, Laundry & Pwdr Room  
Porch (exist): 3.6m<sup>2</sup>  
Patio Deck: 12.4m<sup>2</sup>

**PLANNING DRAWING  
Issued for Dev. Consent**

Date	Issue	Comments
12th Feb.14	PD4	Add Floor Plan for Units 1-2
6th Feb.14	PD3	Minor revisions shown clouded
19th Dec.13	PD2	Dressing Room/ Linen Cb'd added. Storeroom and Laundry revised. Building Areas shown.
8th Nov.13	PD1	Issued for Development Approval

Site: Lakeside Resort	Drawing Scale: As Shown
Address: Casuarina Way, KUNUNURRA	Sheet: 5 of 17
Project: Permanent Residential Development	Project No.: 1311.01
Drawing: Proposed Floor Plans: Units 1-2	Drawing Issue: PD4
	Date of Issue: 13 Feb.14
	Drawn: MCA
	Checked: J.R.
	Sheet Size: A1

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# Detailed Floor Plans



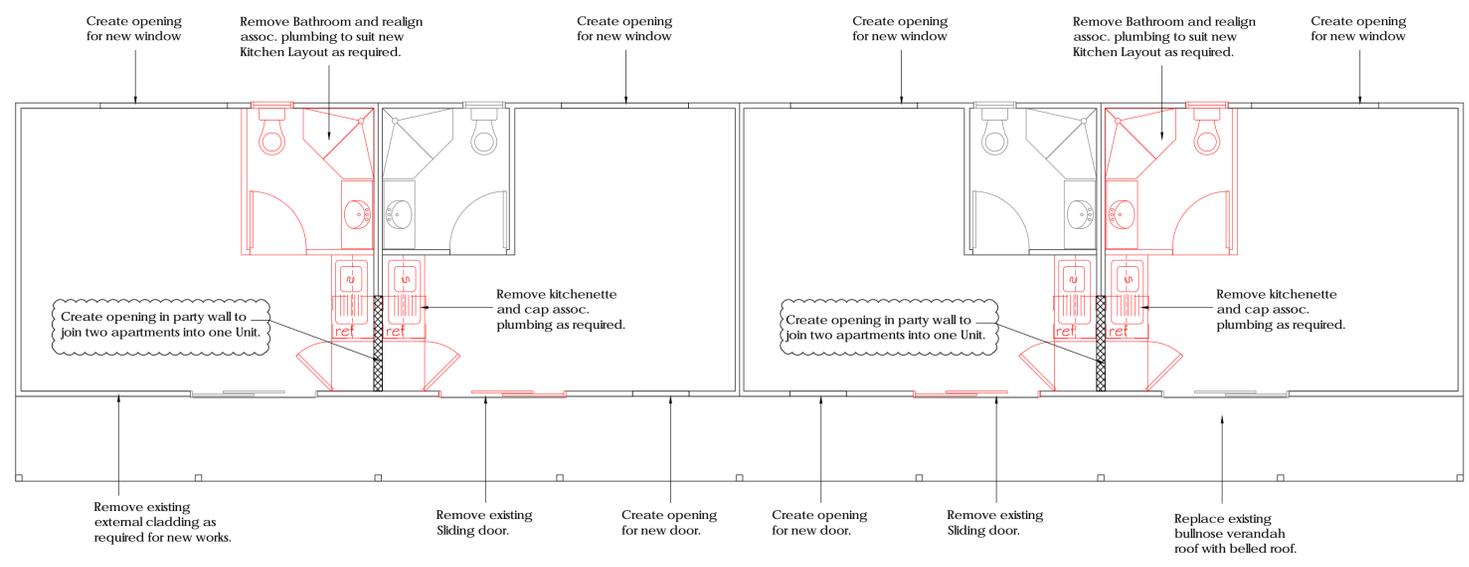
SCALE 1 : 50



Drawing printed to scale on A1 size sheet.

## Proposed 1 Bedroom Units U1-U2.

Note: All Dimensions are to be checked on site.



# Existing Floor Plans

SCALE 1 : 50



## Existing Motel Units No.37-40 Demolition shown in red

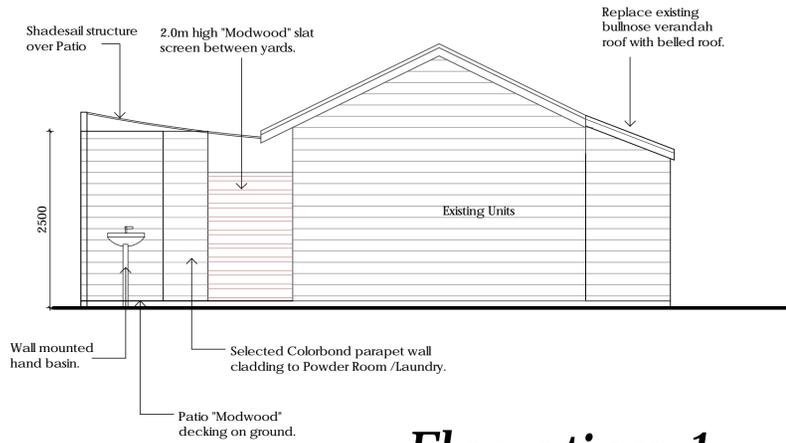
12th Feb.14	PD4	Add Detailed Floor Plan for Units 1-2
6th Feb.14	PD3	Minor revisions shown clouded
19th Dec.13	PD2	Detailed Floor Plans added
8th Nov.13	PD1	Issued for Development Approval

Date Issue Comments

**PLANNING DRAWING  
Issued for Dev. Consent**

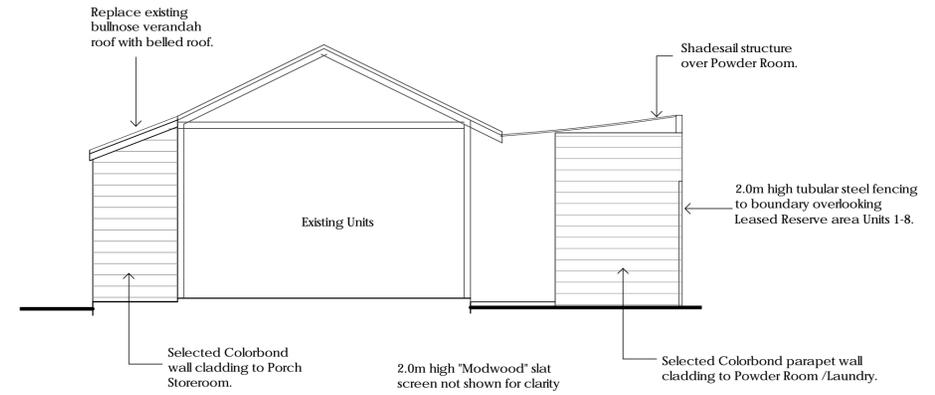
Site: Lakeside Resort	Address: Casuarina Way, KUNUNURRA	Project: Pamanra Residential Development	Drawing: Detailed Floor Plans: Units 1-2	Drawing Scale: As Shown	Sheet: 6 of 17	Project No.: 13.11.01	Drawing Issue: PD4	Date of Issue: 13 Feb.14	Drawn: MCA	Checked: J.R.	Sheet Size: A1
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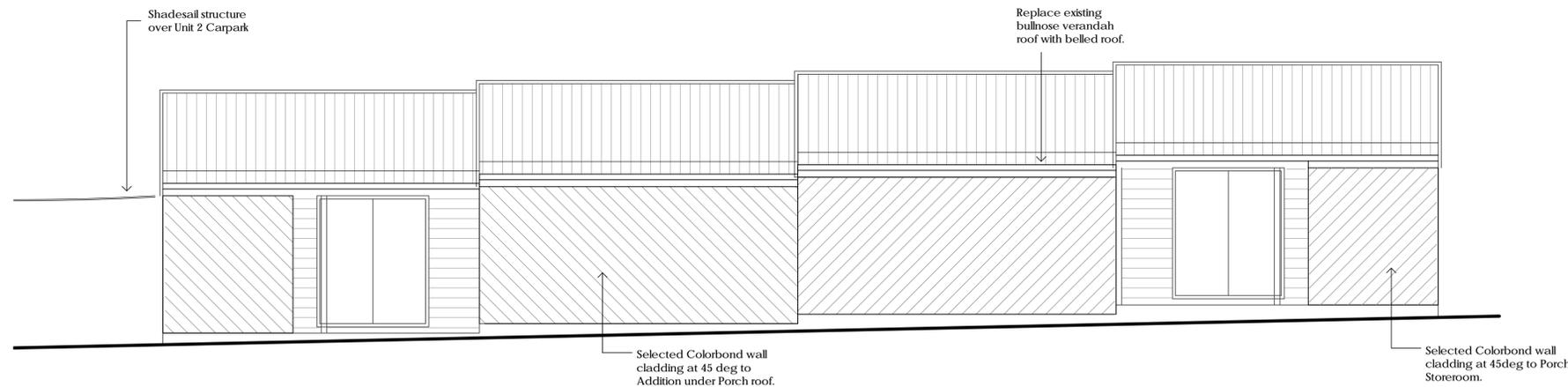
## Elevation 1

SCALE 1 : 50



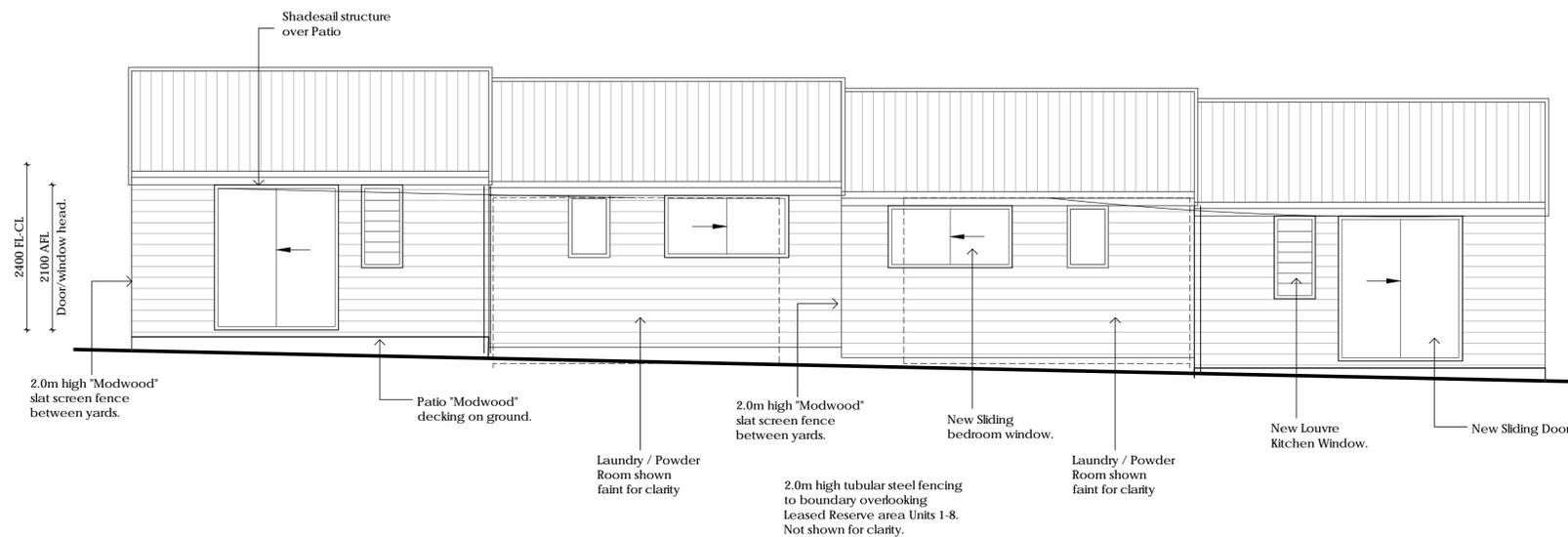
## Section A-A

SCALE 1 : 50



## Elevation 2

SCALE 1 : 50



## Elevation 3

SCALE 1 : 50

## Proposed Elevations Units 1-2

Drawing printed to scale on A1 size sheet.

SCALE 1 : 50

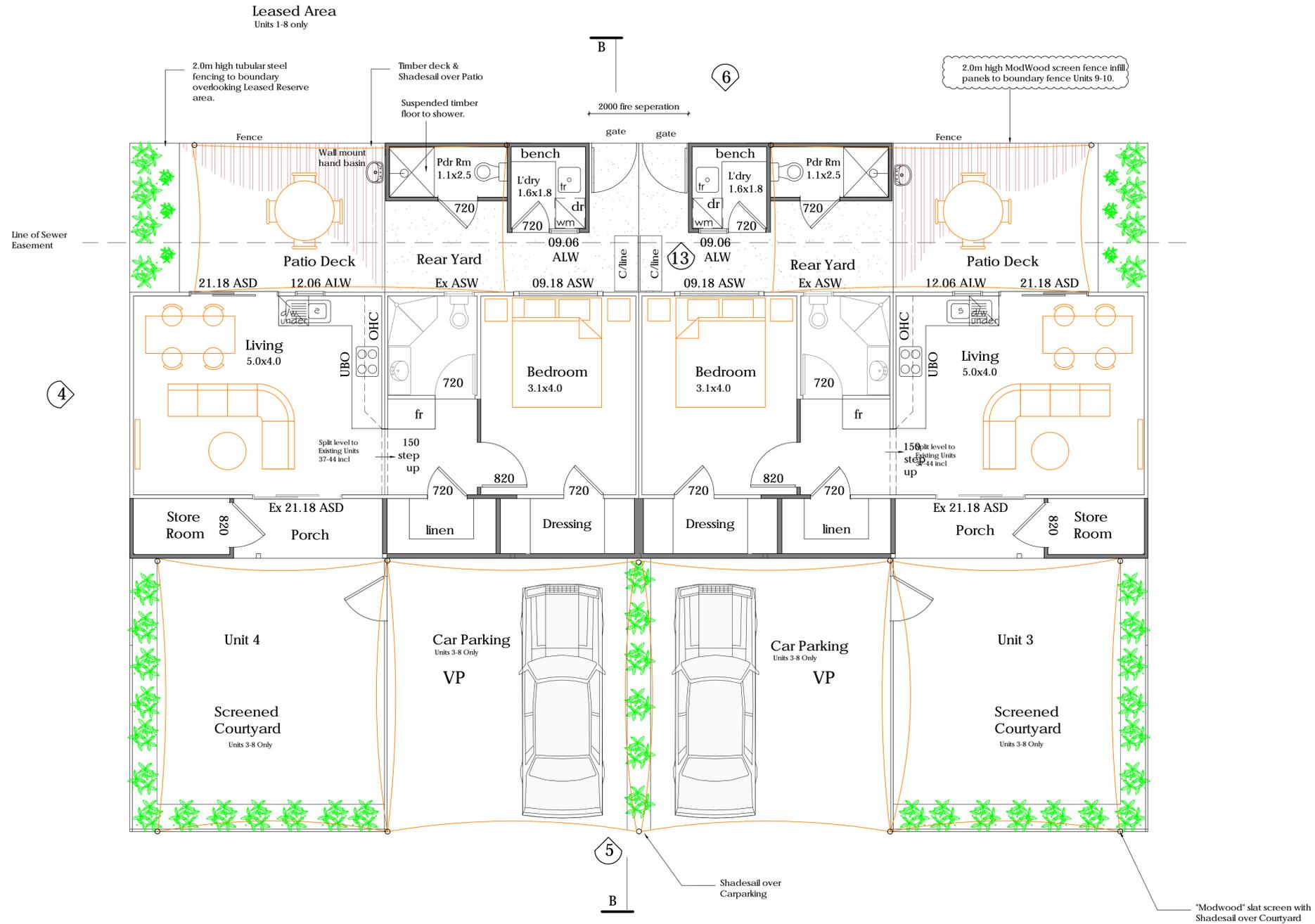


Date	Issue	Comments
12th Feb.14	PD4	Revised Elevations to suit General Amendments
6th Feb.14	PD3	Delete note RE toilet window. Minor Amendments shown clouded.
19th Dec.13	PD2	Dressing Room/ Linen Cb'd added. Storeroom and Laundry revised. Elevations revised to suit.
8th Nov.13	PD1	Issued for Development Approval

**PLANNING DRAWING  
Issued for Dev. Consent**

Site: Lakeside Resort	Drawing Scale: As Shown
Address: Casuarina Way, KUNUNURRA	Sheet: 7 of 17
Project: Permanent Residential Development	Project No.: 13.11.01
Drawing: Proposed Elevations Units 1-10	Drawing Issue: PD3
	Date of Issue: 13 Feb.14
	Drawn: MCA
	Checked: J.R.
	Sheet Size: A1

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Approx North

# Proposed Floor Plans

SCALE 1 : 50



Drawing printed to scale on A1 size sheet.

Proposed 1 Bedroom Units U3-U8.  
Refer Detailed Floor Plan next sheet

## Building Areas:

Living Area: 58.0m<sup>2</sup> incl Store, Laundry & Pwdr Room  
 Porch (exist): 3.6m<sup>2</sup>  
 Patio Deck: 12.4m<sup>2</sup>  
 Courtyard: 28.5m<sup>2</sup>

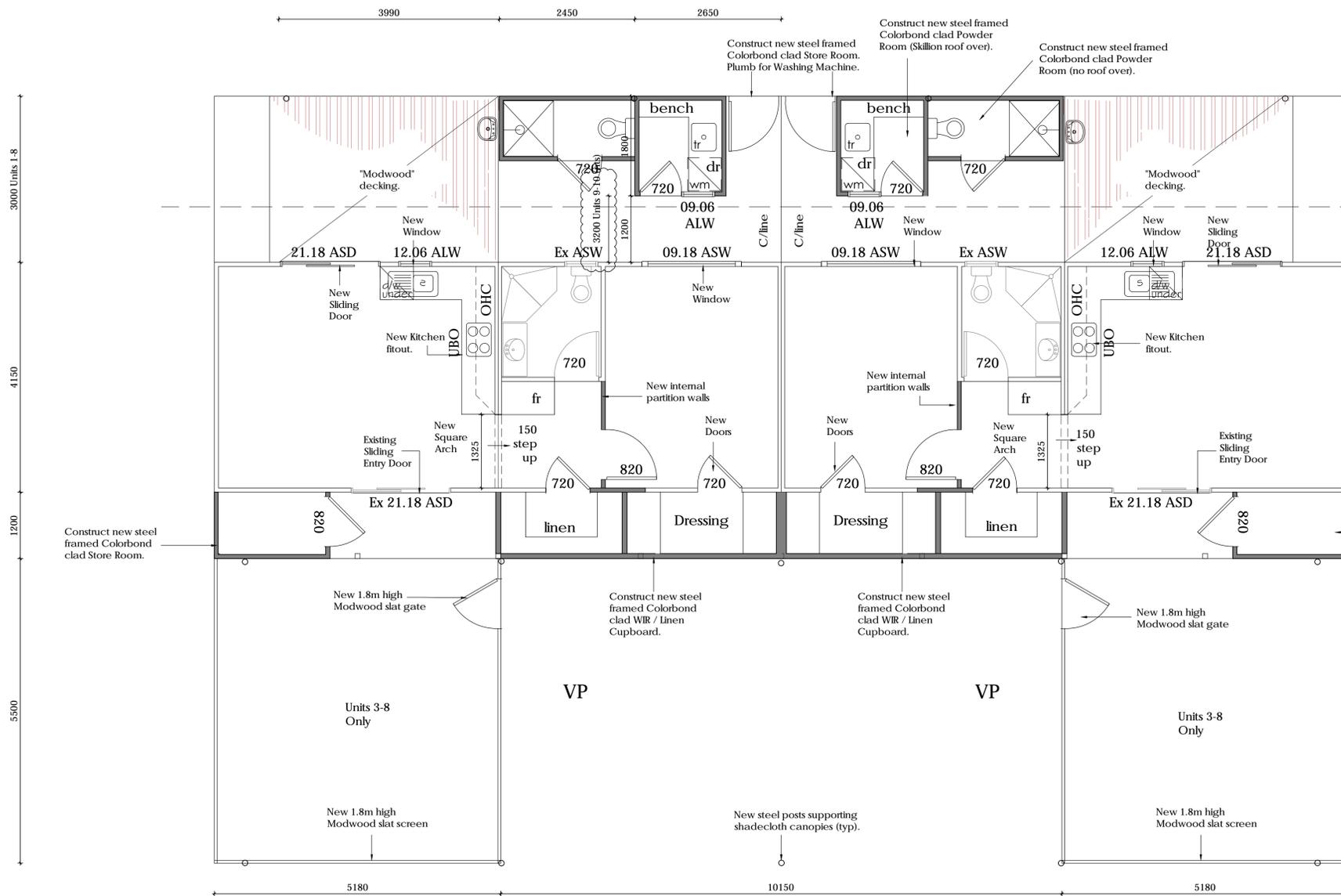
**PLANNING DRAWING  
Issued for Dev. Consent**

Date	Issue	Comments
12th Feb.14	PD4	Revised Floor Plan (Outbuildings)
6th Feb.14	PD3	Minor revisions shown clouded
19th Dec.13	PD2	Dressing Room/ Linen Cb'd added. Storeroom and Laundry revised. Building Areas shown.
8th Nov.13	PD1	Issued for Development Approval

Date Issue Comments

Site: Lakeside Resort	Drawing Scale: As Shown
Address: Casuarina Way, KUNUNURRA	Sheet: 8 of 17
Project: Permanent Residential Development	Project No.: 13.11.01
Drawing: Proposed Floor Plans: Units 3-8	Drawing Issue: PD4
	Date of Issue: 13 Feb.14
	Drawn: MCA
	Checked: J.R.
	Sheet Size: A1

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# Detailed Floor Plans



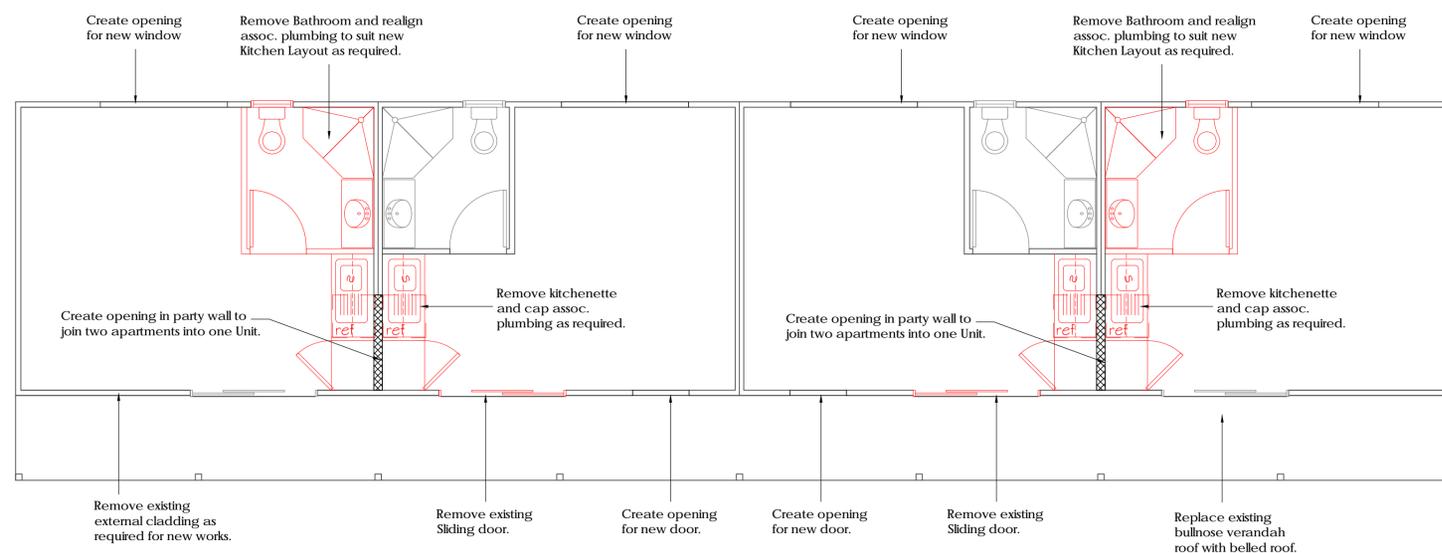
SCALE 1 : 50



Drawing printed to scale on A1 size sheet.

## Proposed 1 Bedroom Units U3-U8.

Note: All Dimensions are to be checked on site.



# Existing Floor Plans

SCALE 1 : 50



## Existing Motel Units No. 41-44, 49-56 Demolition shown in red

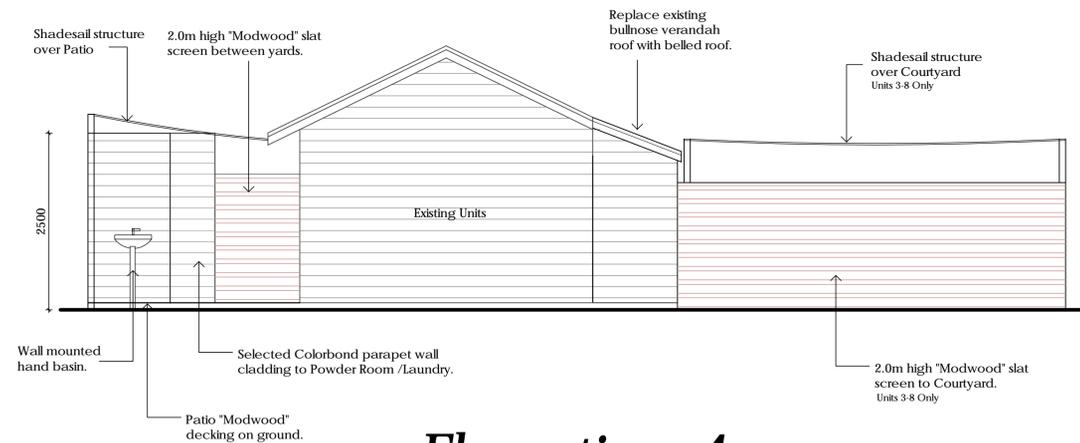
**PLANNING DRAWING  
Issued for Dev. Consent**

Site: Lakeside Resort  
Address: Casuarina Way, KUNUNURRA  
Project: Permanent Residential Development  
Drawing: Detailed Floor Plans: Units 3-8  
Drawing Scale: As Shown  
Sheet: 9 of 17  
Project No.: 13.11.01  
Drawing Issue: PD4  
Date of Issue: 13 Feb. 14  
Drawn: MCA  
Checked: J.R.  
Sheet Size: A1

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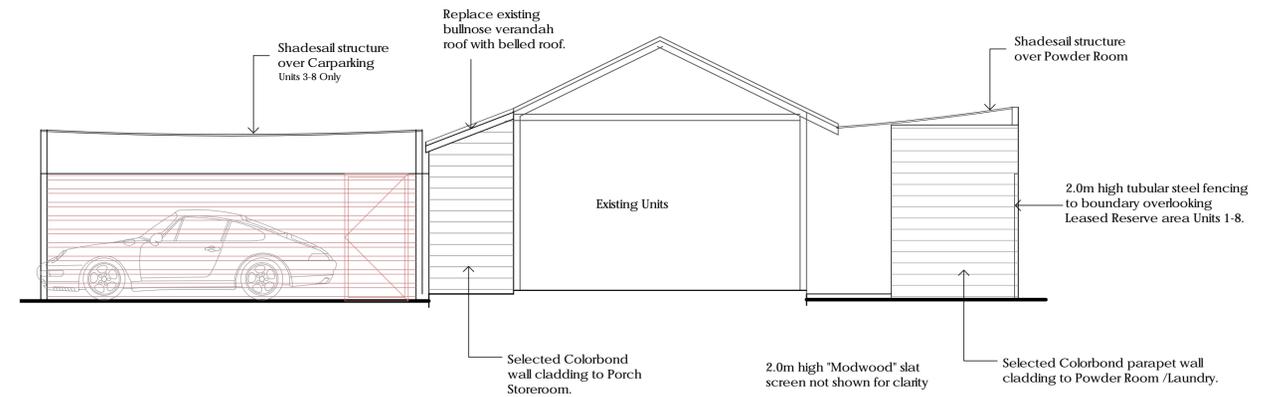
Date	Issue	Comments
12th Feb.14	PD4	Revised Floor Plan to suit General Amendments
6th Feb.14	PD3	Minor revisions shown clouded
19th Dec.13	PD2	Detailed Floor Plans added
8th Nov.13	PD1	Issued for Development Approval

Date Issue Comments



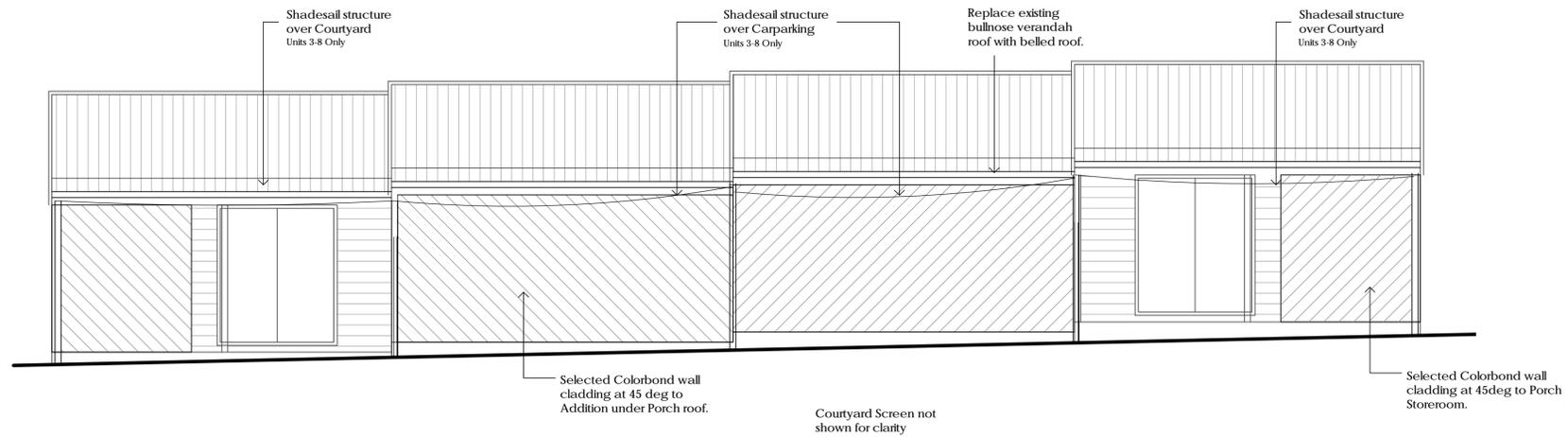
## Elevation 4

SCALE 1 : 50



## Section B-B

SCALE 1 : 50



## Elevation 5

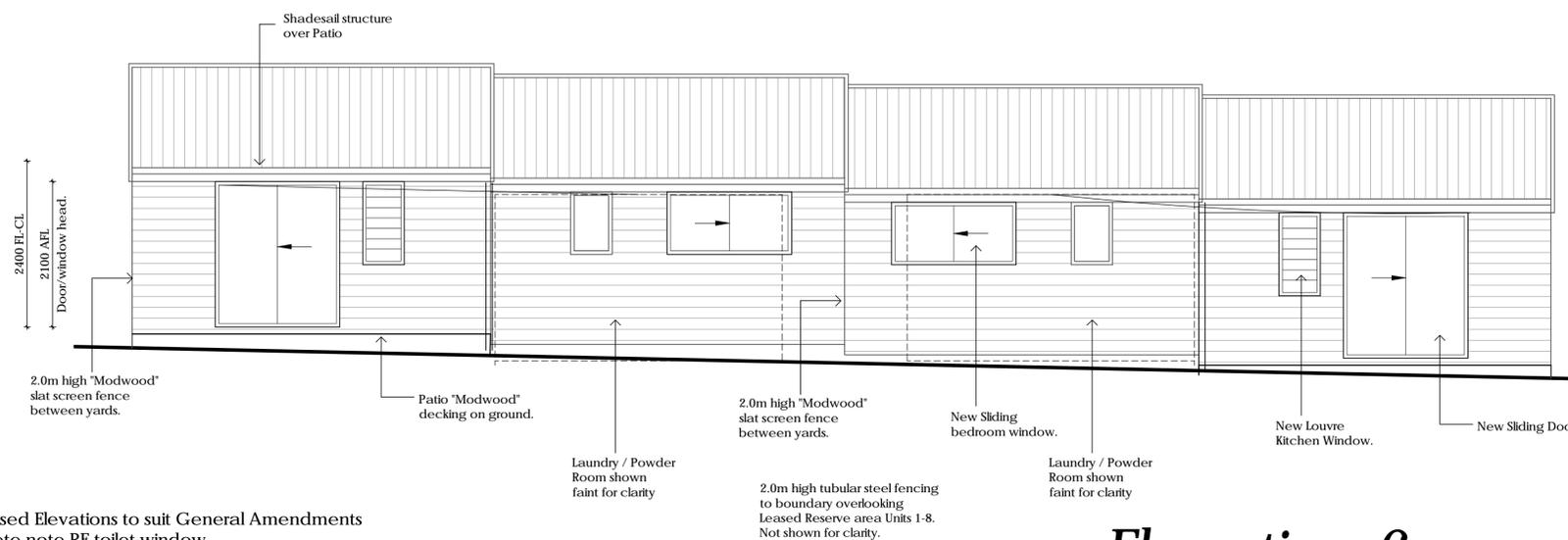
SCALE 1 : 50

## Proposed Elevations Units 3-8

Drawing printed to scale  
on A1 size sheet.

SCALE 1 : 50

0 2.5m



## Elevation 6

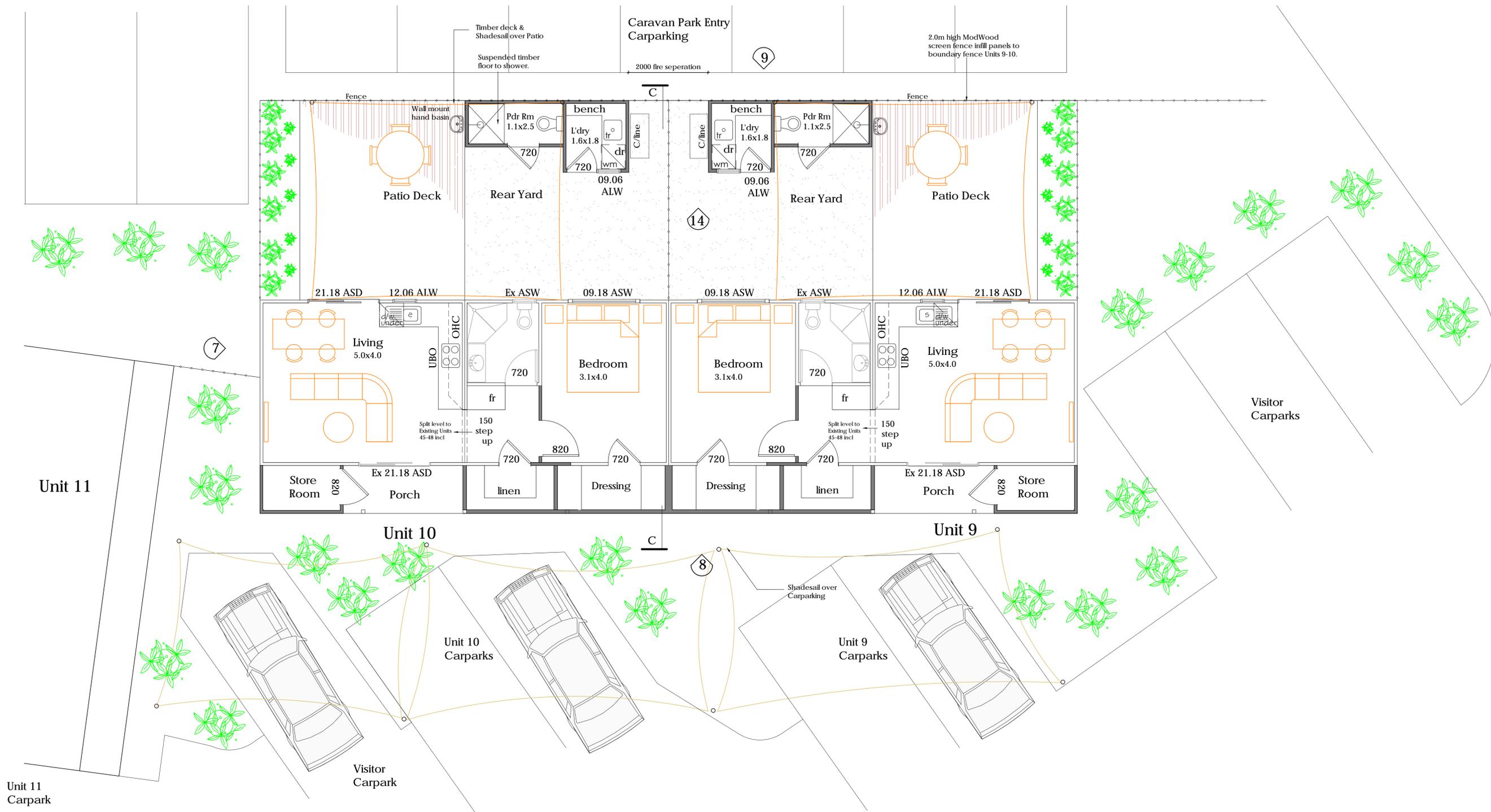
SCALE 1 : 50

Date	Issue	Comments
12th Feb.14	PD4	Revised Elevations to suit General Amendments
6th Feb.14	PD3	Delete note RE toilet window. Minor Amendments shown clouded.
19th Dec.13	PD2	Dressing Room/ Linen Cb'd added. Storeroom and Laundry revised. Elevations revised to suit.
8th Nov.13	PD1	Issued for Development Approval

**PLANNING DRAWING  
Issued for Dev. Consent**

Site: Lakeside Resort	Drawing Scale: As Shown
Address: Casuarina Way, KUNUNURRA	Sheet: 10 of 17
Project: Permanent Residential Development	Project No.: 13.11.01
Drawing: Proposed Elevations Units 1-10	Drawing Issue: PD3
	Date of Issue: 13 Feb.14
	Drawn: MCA
	Checked: J.R.
	Sheet Size: A1

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email. plans@westerndesign.com.au



# Proposed Floor Plans

SCALE 1 : 50  
0 2.5m

Drawing printed to scale on A1 size sheet.

**Building Areas:**  
 Living Area: 58.0m<sup>2</sup> incl Store, Laundry & Pwdr Room  
 Porch (exist): 3.6m<sup>2</sup>  
 Patio Deck: 20.7m<sup>2</sup>

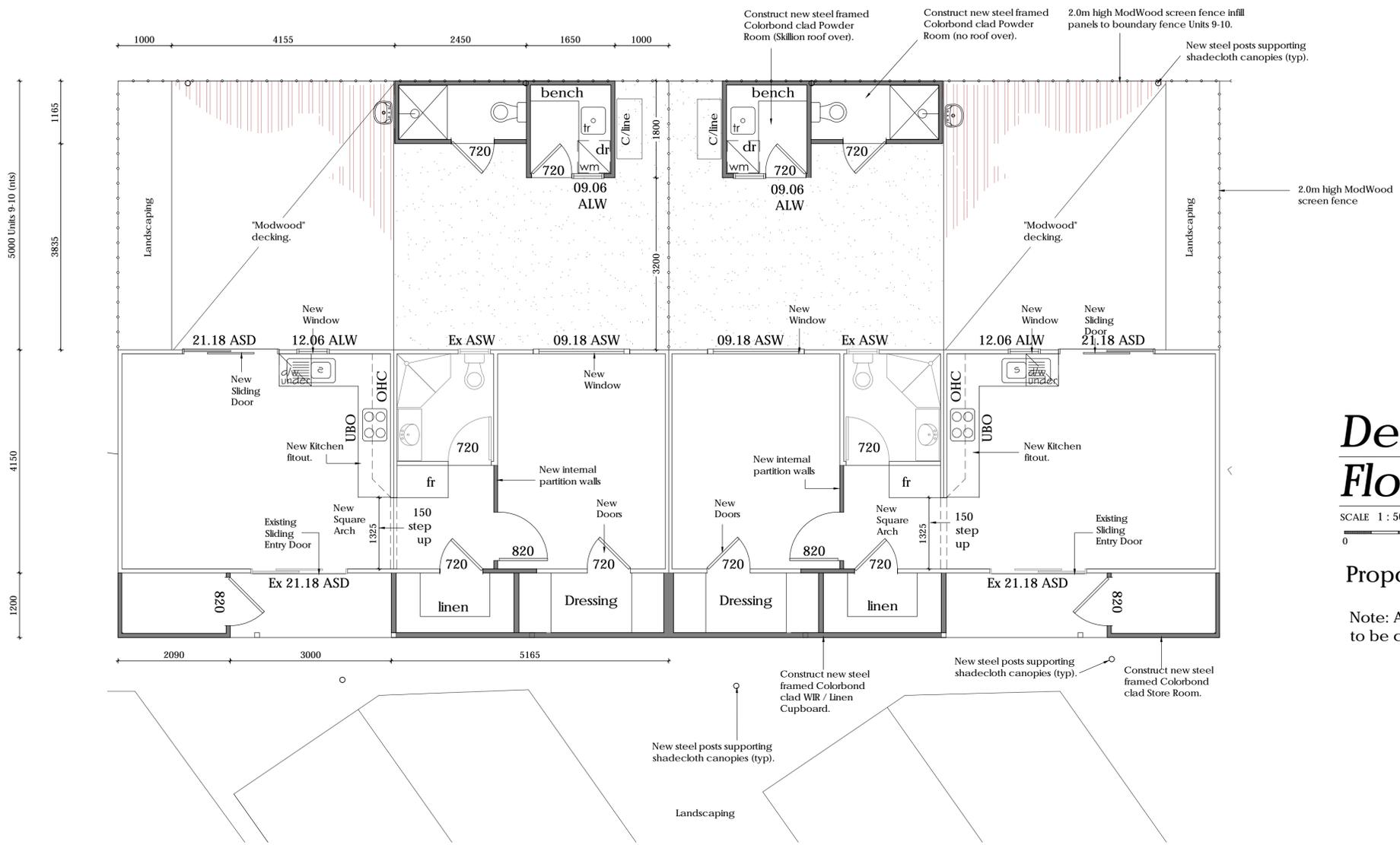
Proposed 1 Bedroom Units U9-U10.  
 Refer Detailed Floor Plan next sheet

**PLANNING DRAWING  
 Issued for Dev. Consent**

Date	Issue	Comments
12th Feb.14	PD4	Add Floor Plan for Units 9-10
6th Feb.14	PD3	Minor revisions shown clouded
19th Dec.13	PD2	Dressing Room/ Linen Cb'd added. Storeroom and Laundry revised. Building Areas shown.
8th Nov.13	PD1	Issued for Development Approval

Site: Lakeside Resort	Drawing Scale: As Shown
Address: Casuarina Way, KUNUNURRA	Sheet: 11 of 17
Project: Permanent Residential Development	Project No.: 13.11.01
Drawing: Proposed Floor Plans: Units 9-10	Drawing Issue: PD4
	Date of Issue: 13 Feb.14
	Drawn: MCA
	Checked: J.R.
	Sheet Size: A1

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# Detailed Floor Plans



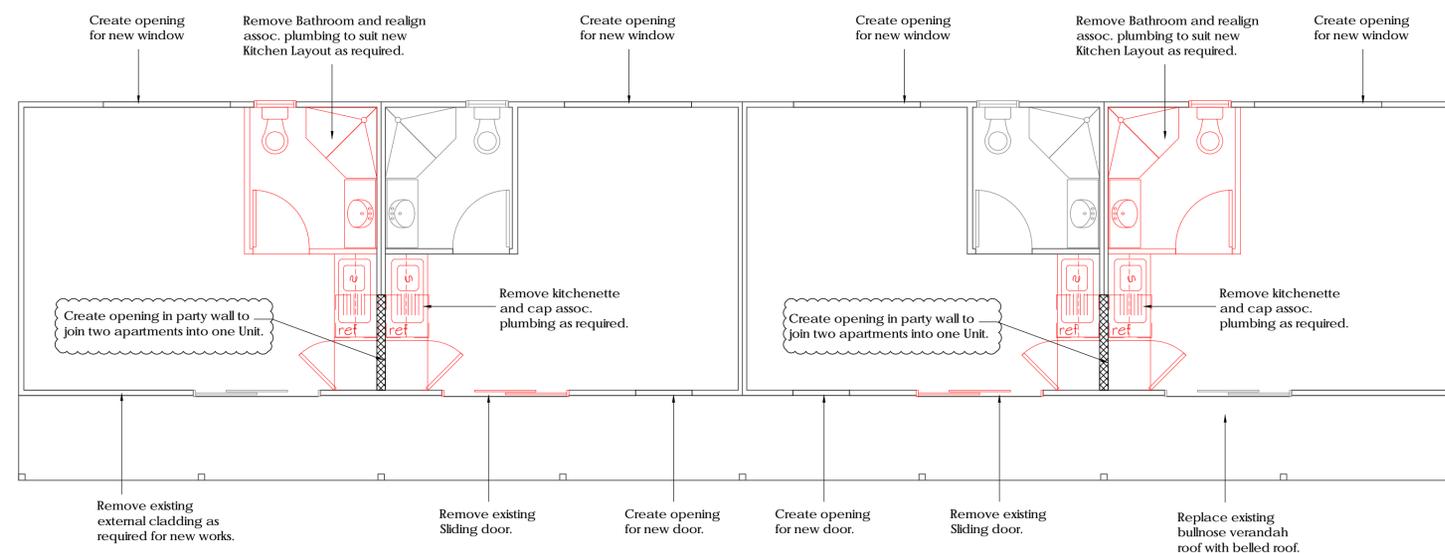
SCALE 1 : 50



Drawing printed to scale on A1 size sheet.

## Proposed 1 Bedroom Units U9-U10.

Note: All Dimensions are to be checked on site.



# Existing Floor Plans

SCALE 1 : 50



## Existing Motel Units No. 45-48

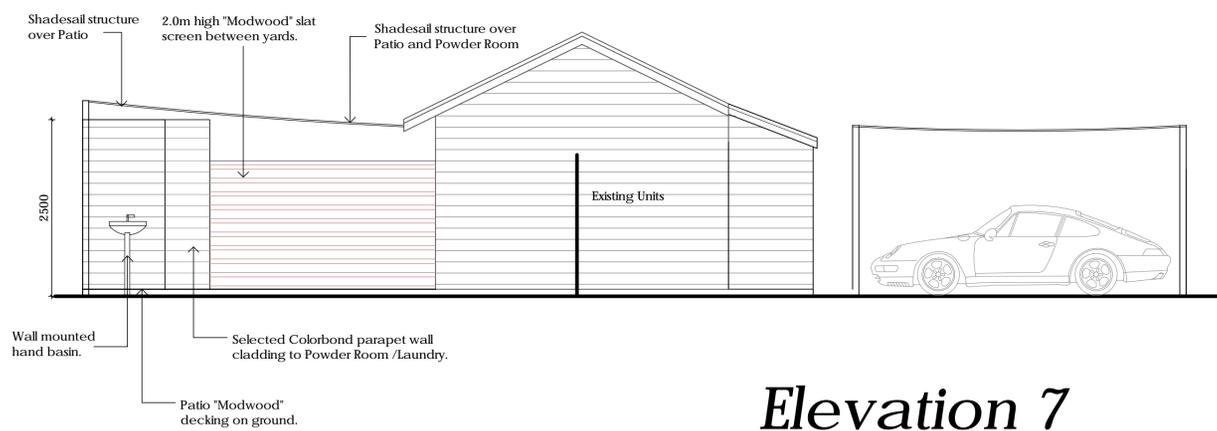
Demolition shown in red

**PLANNING DRAWING  
Issued for Dev. Consent**

Date	Issue	Comments
12th Feb.14	PD4	Add Detailed Floor Plan for Units 9-10
6th Feb. 14	PD3	Minor revisions shown clouded
19th Dec.13	PD2	Detailed Floor Plans added
8th Nov.13	PD1	Issued for Development Approval

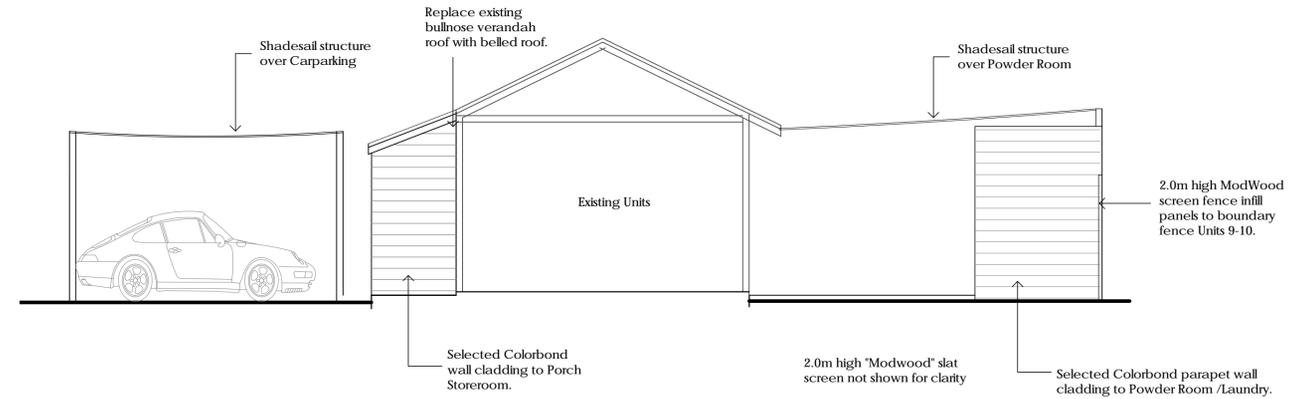
Site: Lakeside Resort	Drawing Scale: As Shown
Address: Casuarina Way, KUNUNURRA	Sheet: 12 of 17
Project: Permanent Residential Development	Project No.: 13.11.01
Drawing: Detailed Floor Plans: Units 9-10	Drawing Issue: PD4
	Date of Issue: 13 Feb.14
	Drawn: MCA
	Checked: J.R.
	Sheet Size: A1

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 tourist park design consultants  
 p.o. box 431 brighton, s.a. 5048  
 ph 08 83815966  
 email. plans@westerndesign.com.au



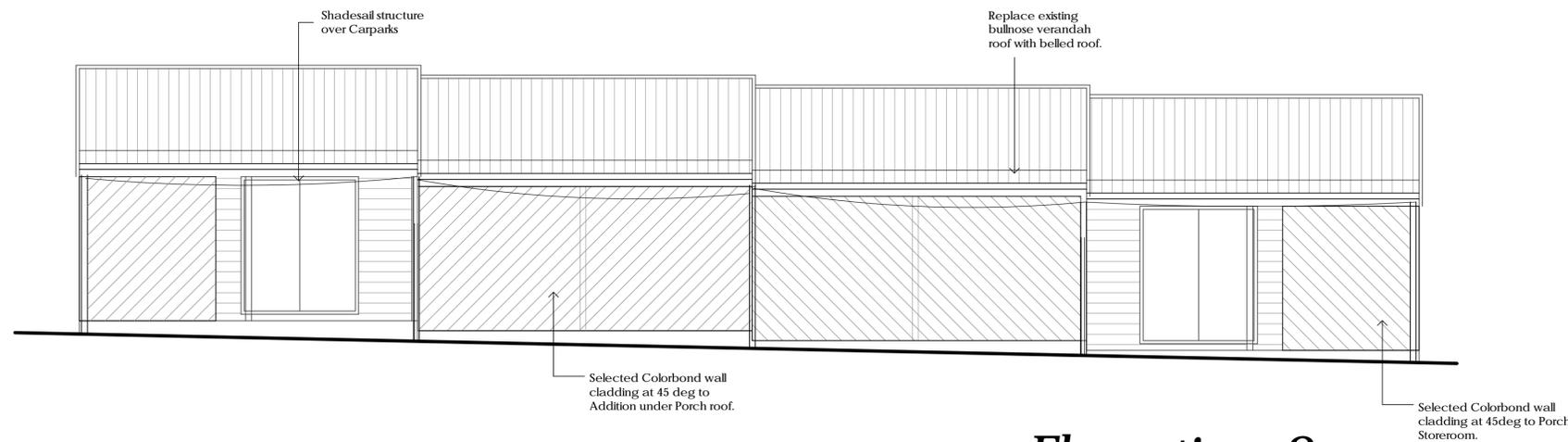
## Elevation 7

SCALE 1 : 50



## Section C-C

SCALE 1 : 50



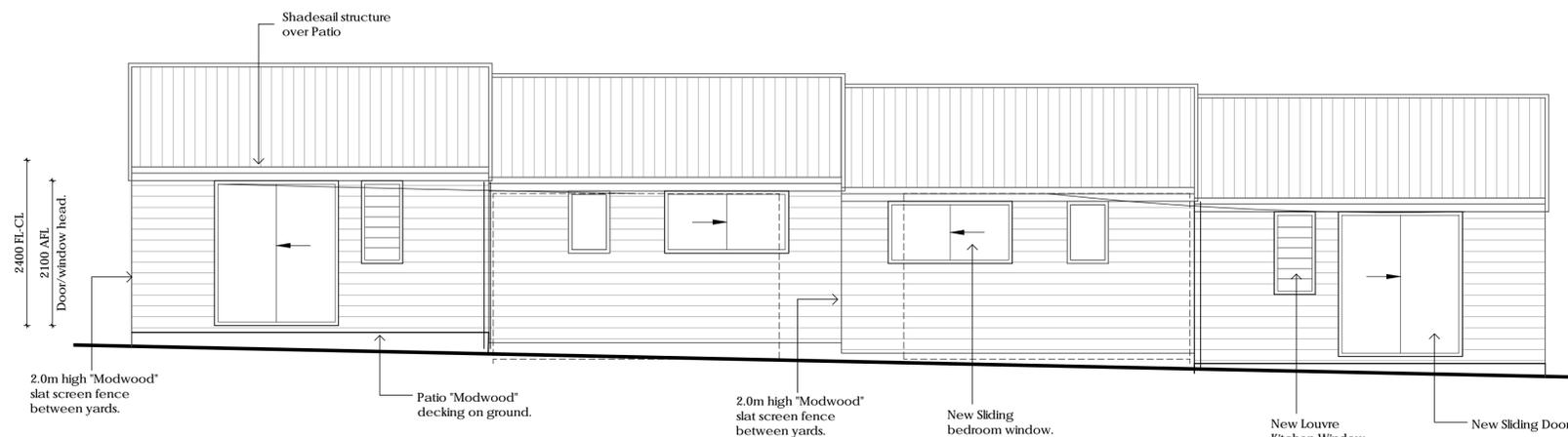
## Elevation 8

SCALE 1 : 50

## Proposed Elevations Units 9-10

Drawing printed to scale  
on A1 size sheet.

SCALE 1 : 50



## Elevation 9

SCALE 1 : 50

Date	Issue	Comments
12th Feb.14	PD4	Revised Elevations to suit General Amendments
6th Feb.14	PD3	Delete note RE toilet window. Minor Amendments shown clouded.
19th Dec.13	PD2	Dressing Room/ Linen Cb'd added. Storeroom and Laundry revised. Elevations revised to suit.
8th Nov.13	PD1	Issued for Development Approval

**PLANNING DRAWING  
Issued for Dev. Consent**

Site: Lakeside Resort	Drawing Scale: As Shown
Address: Casuarina Way, KUNUNURRA	Sheet: 13 of 17
Project: Permanent Residential Development	Project No.: 13.11.01
Drawing: Proposed Elevations Units 1-10	Drawing Issue: PD3
	Date of Issue: 13 Feb.14
	Drawn: MCA
	Checked: J.R.
	Sheet Size: A1

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# Proposed Floor Plans

SCALE 1 : 50



Drawing printed to scale on A1 size sheet.

## Building Areas each Unit:

- Living Area: 61.0m<sup>2</sup> incl Shed, Laundry & Pwdr Room
- Porch (exist): 3.0m<sup>2</sup>
- Patio Deck: 21.0m<sup>2</sup>

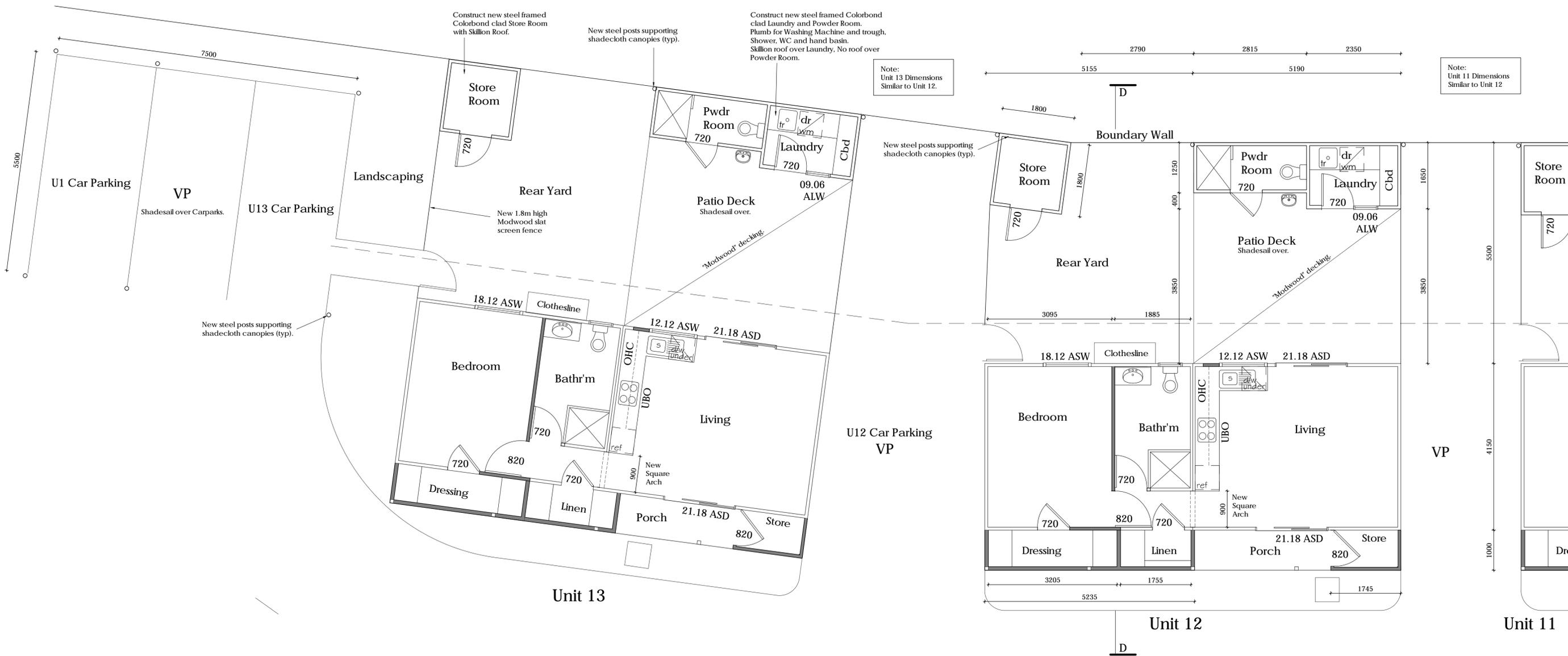
Proposed 1 Bedroom Units U11 - U13  
Refer Detailed Floor Plan next sheet

Date	Issue	Comments
12th Feb.14	PD4	Revised Plans to suit General Amendments
6th Feb.14	PD3	General revisions to Out-buildings.
19th Dec.13	PD2	Dressing Room/ Laundry added. Storeroom revised. Rear Yard Layout revised. Building Areas shown.
8th Nov.13	PD1	Issued for Development Approval

**PLANNING DRAWING  
Issued for Dev. Consent**

Site: Lakeside Resort	Drawing Scale: As Shown
Address: Casuarina Way, KUNUNURRA	Sheet: 14 of 17
Project: Permanent Residential Development	Project No.: 13.11.01
Drawing: Proposed Floor Plans: Units 11-13	Drawing Issue: PD4
	Date of Issue: 13 Feb.14
	Drawn: MCA
	Checked: J.R.
	Sheet Size: A1

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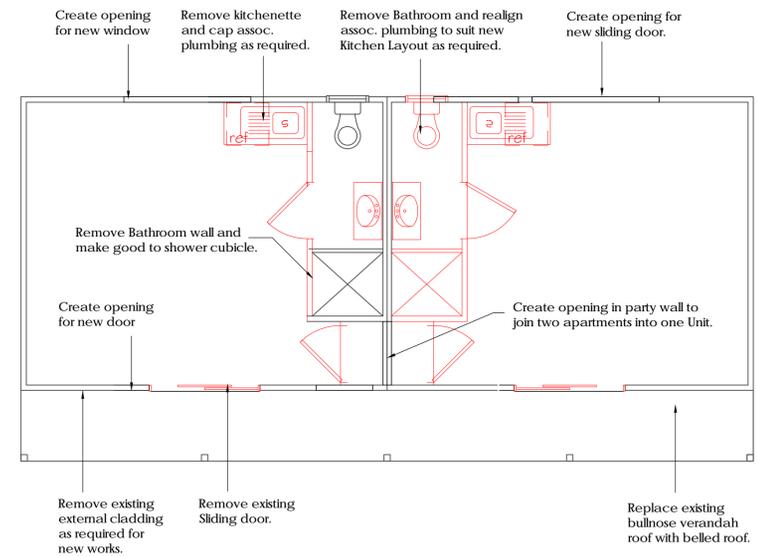


## Detailed Floor Plans

SCALE 1 : 50  
 Drawing printed to scale on A1 size sheet.

Proposed 1 Bedroom Units U12 - U13  
 Unit 11 similar

Note: All Dimensions are to be checked on site.



## Existing Floor Plans

SCALE 1 : 50

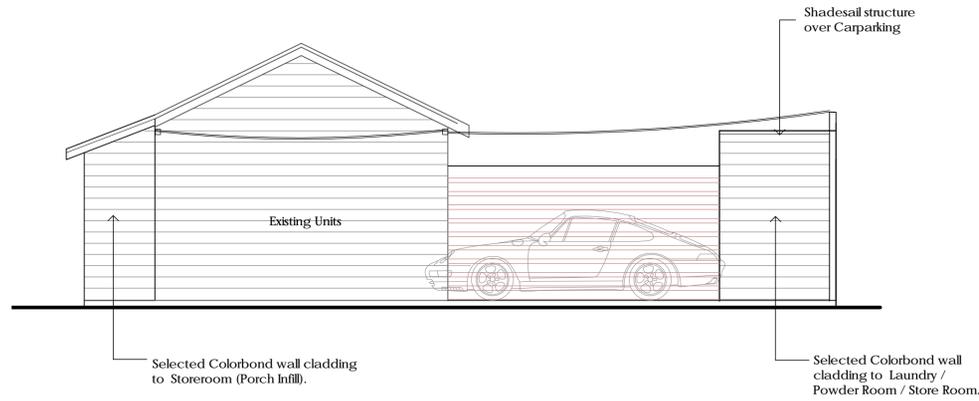
Existing Motel Units No.5-6  
 Units 3-4 , 7-8 similar  
 Demolition shown in red

Date	Issue	Comments
12th Feb.14	PD4	Revised Plans to suit General Amendments
6th Feb.14	PD3	General revisions to Out-buildings.
19th Dec.13	PD2	Detailed Floor Plans added
8th Nov.13	PD1	Issued for Development Approval

**PLANNING DRAWING**  
**Issued for Dev. Consent**

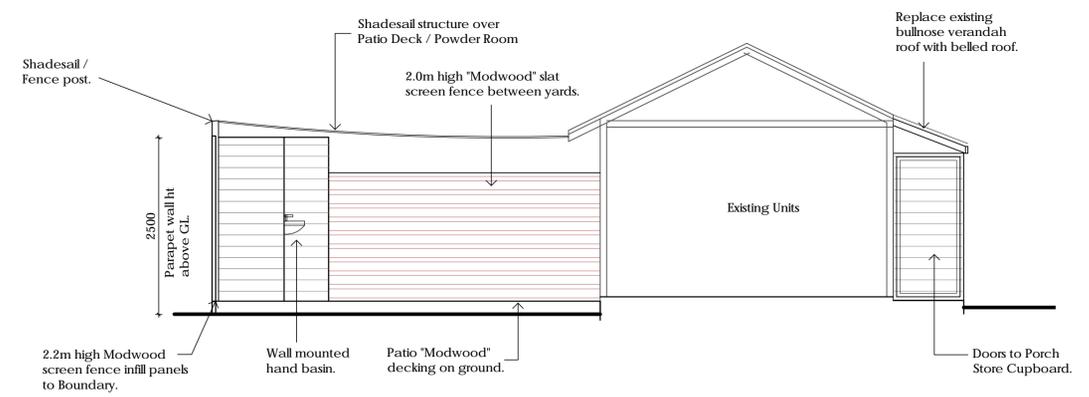
Site: Lakeside Resort	Drawing Scale: As Shown
Address: Casuarina Way, KUNUNURRA	Sheet: 15 of 17
Project: Permanent Residential Development	Project No.: 13.11.01
Drawing: Detailed Floor Plans: Units 11-13	Drawing Issue: PD4
	Date of Issue: 13 Feb.14
	Drawn: MCA
	Checked: J.R.
	Sheet Size: A1

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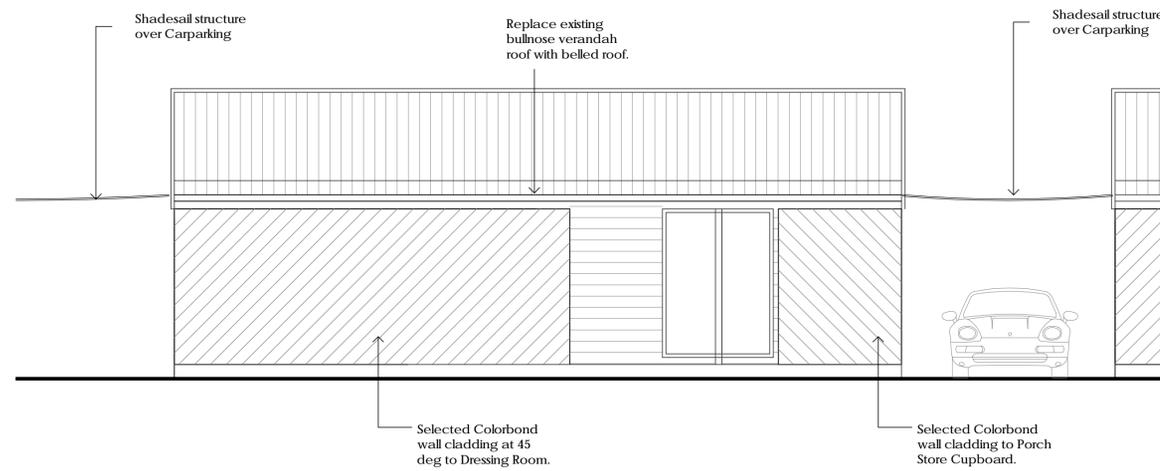
## Elevation 10

SCALE 1 : 50



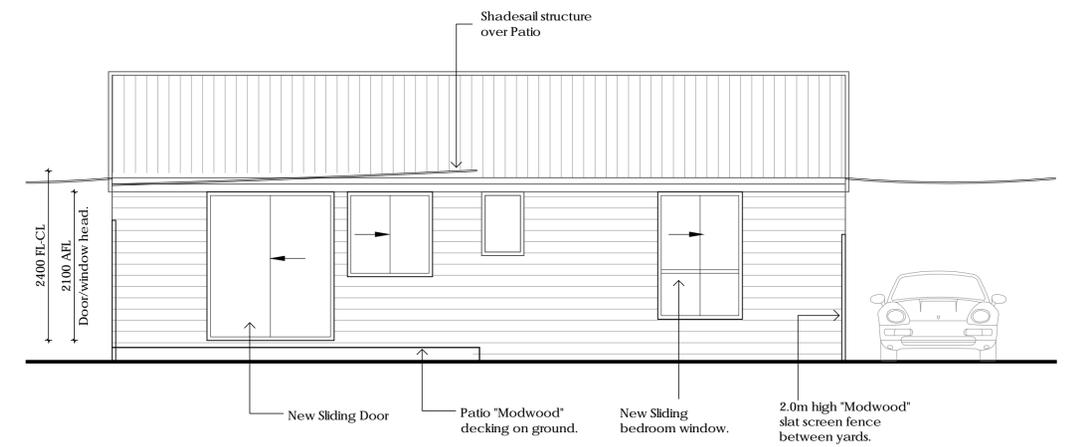
## Section D-D

SCALE 1 : 50



## Elevation 11

SCALE 1 : 50



## Elevation 12

SCALE 1 : 50

Outbuildings not shown for clarity.

## Proposed Elevations Unit 12 (Units 11 & 13 similar)

SCALE 1 : 50  
0 2.5m

Drawing printed to scale on A1 size sheet.

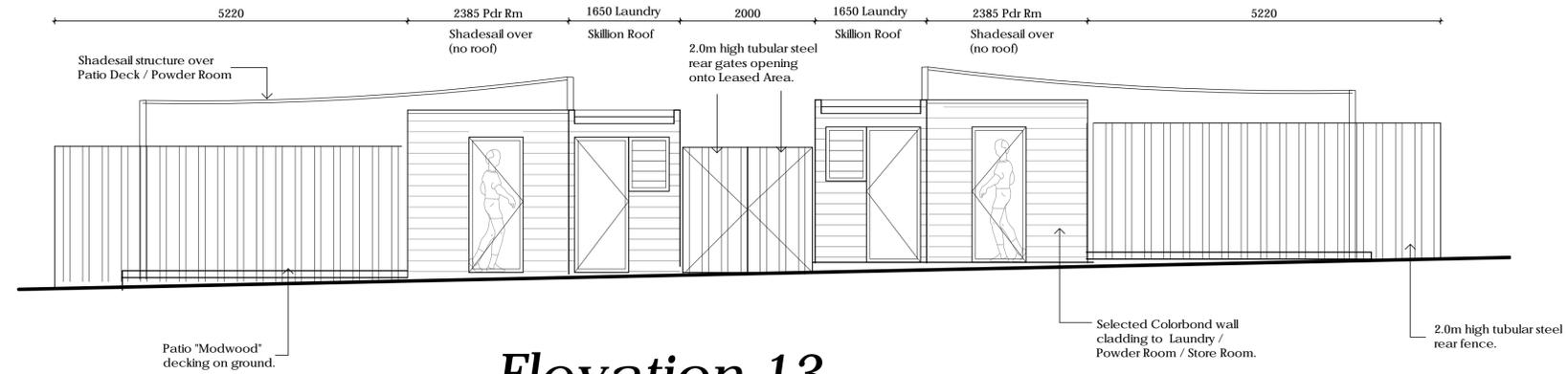
**PLANNING DRAWING  
Issued for Dev. Consent**

12th Feb.14	PD4	Revised Fence Height.
6th Feb.14	PD3	General revisions to Out-buildings Adjust Elevations to suit.
19th Dec.13	PD2	Dressing Room/ Laundry added. Storeroom revised. Rear Yard Layout revised. Elevations revised to suit.
8th Nov.13	PD1	Issued for Development Approval

Date Issue Comments

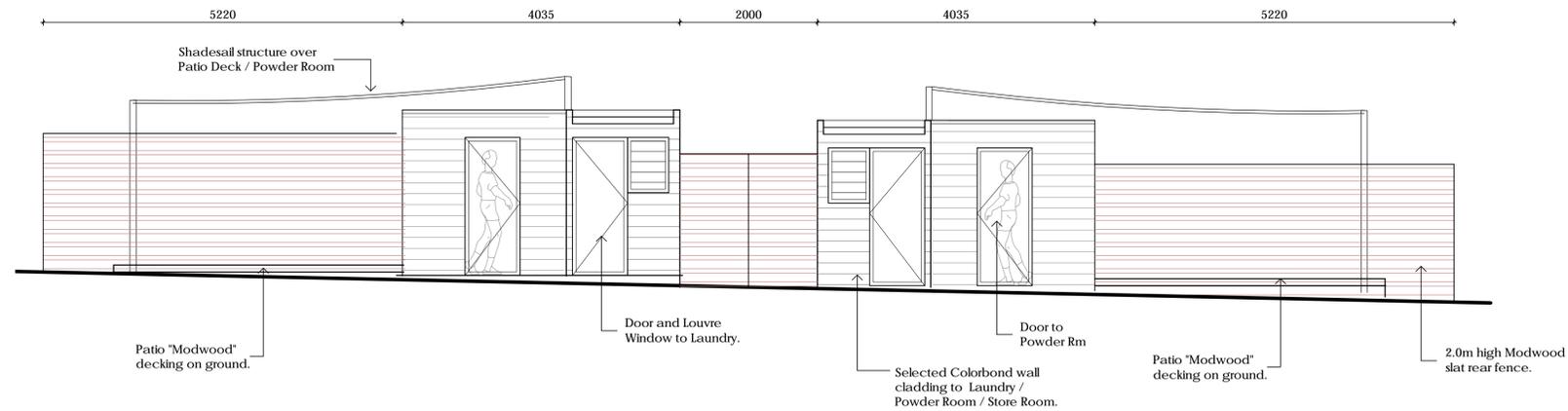
Site: Lakeside Resort	Address: Casuarina Way, KUNUNURRA	Project: Permanent Residential Development	Drawing: Proposed Elevations: Units 11-13	Drawing Scale: As Shown	Sheet: 16 of 17
				Project No.: 13.11.01	Drawing Issue: PD4
				Date of Issue: 13 Feb.14	Drawn: MCA
				Checked: J.R.	Sheet Size: A1

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email. plans@westerndesign.com.au



# Elevation 13

SCALE 1 : 50  
 Outbuildings / Rear Fence  
 Units 1-2 (Units 3-8 Similar)



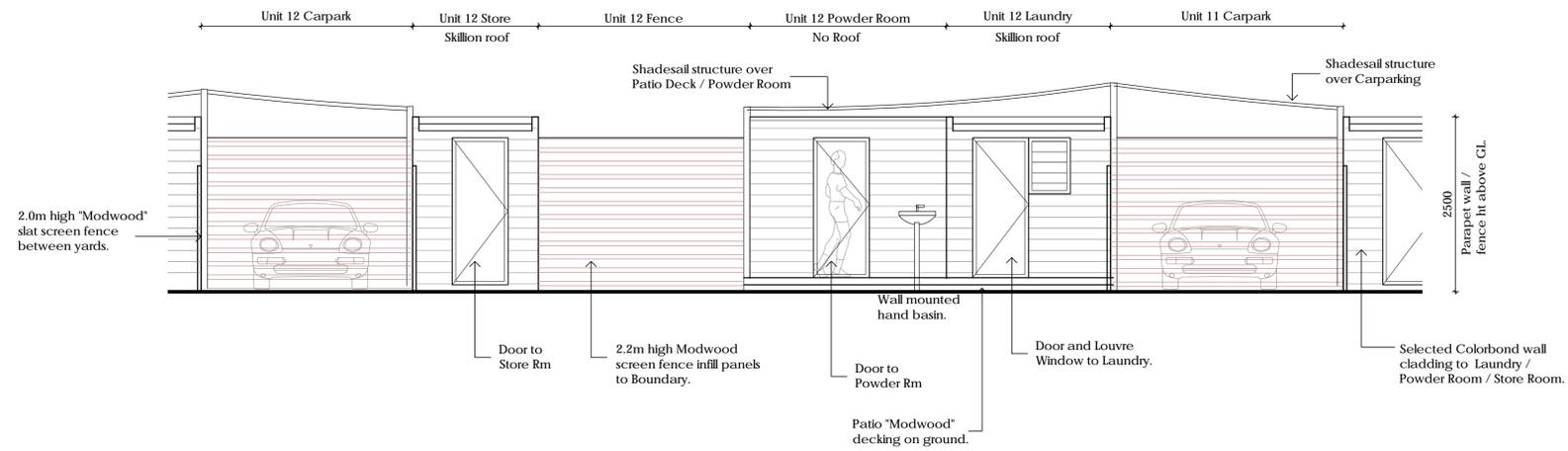
# Elevation 14

SCALE 1 : 50  
 Outbuildings / Rear Fence  
 Units 9-10

## Proposed Elevations Outbuildings

Drawing printed to scale on A1 size sheet.

SCALE 1 : 50  
 0 2.5m



# Elevation 15

SCALE 1 : 50  
 Outbuildings / Rear Fence  
 Units 12 (Units 11 & 13 Similar)

Date	Issue	Comments
12th Feb.14	PD4	Add Elevations - Outbuildings
6th Feb.14	PD3	General revisions to Out-buildings Adjust Elevations to suit.
19th Dec.13	PD2	Dressing Room/ Laundry added. Storeroom revised. Rear Yard Layout revised. Elevations revised to suit.
8th Nov.13	PD1	Issued for Development Approval

**PLANNING DRAWING  
 Issued for Dev. Consent**

Site: Lakeside Resort	Drawing Scale: As Shown
Address: Casuarina Way, KUNUNURRA	Sheet: 17 of 17
Project: Permanent Residential Development	Project No.: 13.11.01
Drawing: Proposed Elevations: OutBuildings	Drawing Issue: PD4
	Date of Issue: 13 Feb.14
	Drawn: MCA
	Checked: J.R.
	Sheet Size: A1

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### 13.4.7 Development Application for modification to a heritage building at Lot 10 O'Donnell Street, Wyndham

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Wyndham Historical Society
<b>LOCATION:</b>	Lot 10 O'Donnell, Wyndham
<b>AUTHOR:</b>	Jennifer Ninyette, Senior Planning Officer
<b>REPORTING OFFICER:</b>	Nick Kearns, Director Community Development
<b>FILE NO:</b>	A1649P

#### **PURPOSE**

For Council to consider a development application to modify a heritage building (Bluey Lloyd's Flat) at Lot 10 O'Donnell Street, Wyndham.

#### **BACKGROUND**

An application for planning approval was lodged on 31 December 2013 by Chris McLachlan on behalf of the Wyndham Historical Society for modifications to Bluey Lloyd's Flat at Lot 10 O'Donnell Street, Wyndham.

The property is located approximately 1 kilometre south of the Wyndham Port and has an area of 803m<sup>2</sup>. The land is zoned Town Centre under *Town Planning Scheme No. 6 – Wyndham Town site (TPS 6)*. The property, contains Bluey Lloyd House, located across the boundary of Lot 9 and 10, and Flat which is built up to the front (and side) property boundary.

The house and flat are listed on the Shire of Wyndham East Kimberley Municipal Heritage Inventory (2007), which identifies that at that time the flat was vacant and in poor condition. An extract from the Municipal Heritage Inventory is provided at Attachment 1.



#### *Proposal*

The Wyndham Historical Society has requested approval to alter the external appearance of the Flat, including the treatment of the external surfaces thereof, by:

- Replacing the damaged fibro sheeting with cream colorbond.
- Replacing louvered windows with sliding windows and louver shutters. Louver shutters will replicate original louver size (6"x20").

The flat is small (6.6m<sup>2</sup>) and is constructed of fibro and tin. The applicant aims to introduce metal cladding to improve the cyclone rating and durability of the building. The installation of sliding windows is to minimise dust and improve air conditioning efficiency, and the louvered shutters are to replicate the size and style of the original windows in order to maintain the character and overall appearance of the building.

A copy of the written application and information submitted by the Wyndham Historical Society is provided at attachment 2.

The works have been undertaken in response to a notice issued by the Shire on 31 August 2011 (to the former owner) under section 409(1) of the Local Government (Miscellaneous Provisions) Act 1960, in relation to the building being neglected and dilapidated. A copy of this notice is provided at Attachment 3.

The works have already commenced and the Wyndham Historical Society is aware that Council may direct that the building be returned back to its original form and materials.

If approved by Council a retrospective application for a building permit will be required.

### **STATUTORY IMPLICATIONS**

*Town Planning Scheme No. 6 – Wyndham Townsite*

The land is zoned Town Centre under Wyndham Town Planning Scheme No.6 (TPS 6).

The objectives of the Town Centre zone are:

- To zone adequate land for the continued development of a main commercial and community facility centre for the town;*
- To prepare an overall Town Centre Strategy Policy to guide and promote development;*
- To apply appropriate development and land use controls to ensure the development is to a satisfactory standard.*

The land is located in a designated heritage area under the Wyndham Town Planning Scheme. The Scheme stipulates that "alteration (whether internal or external), the demolition, the adaption or modification of any building or structure" requires planning consent of Council.

### **POLICY IMPLICATIONS**

*Design Guidelines for O'Donnell Street Wyndham Port*

The main objective of the O'Donnell Street Wyndham Port Design Guidelines is to "maintain the character of O'Donnell Street by use of robust materials and details that reflect on the maritime history and extreme climate".

The Guidelines characterise the Wyndham Port area as having "...been developed more with an eye to function than to appearance, resulting in a no-frills ruggedness, which to the

*casual observer is unattractive.” And also that “...in spite of a temptation to change this image, it is important to maintain it, and to present the town as it is.”*

The Guidelines make recommendations with regard to building materials, fenestration, roofing, veranda, fencing and gates, signage and street furniture.

The guidelines stipulate that all new work shall require planning consent from the shire and should retain the existing character of the port. It is acknowledged that these guidelines have not formally been adopted and are simply used as a recommendation.

### **FINANCIAL IMPLICATIONS**

To date an application fee of \$147 has not been paid. If approved by Council, a retrospective fee of three times the applicable fee (\$441) can be applied.

The Wyndham Historical Society have provided a letter (Attachment 5) requesting that retrospective fees not be applied, and have agreed to pay the minimum fee of \$139.00.

### **STRATEGIC IMPLICATIONS**

This project aligns to the Strategic Community Plan 2012-2022. In particular this project addresses the following strategies:

3.3.8 Ensure quality, consistent and responsive development and building assessment approval processes and enforcement.

### **COMMUNITY CONSULTATION**

The application has not been publicly advertised. Ordinarily an application for use or development within a heritage area or for a building or place listed on the Municipal Heritage Inventory (MHI) would be referred to the Wyndham Historical Society for comment and advice, however in this instance they are the applicant.

### **COMMENT**

The MHI identifies the House and Flat as having/some to moderate significance due to its direct relationship to Bluey Lloyd’s standing in the community, and the desired outcome is that any alterations or extensions should reinforce the significance of the place, and the original fabric should be retained wherever possible.

The O’Donnell Street Wyndham Port Design Guidelines acknowledge that the character of the area should be maintained by using the same cladding and roofing materials that already exist in the precinct.

It is noted the existing building material is affected by white ants and the durability is difficult to maintain and therefore the applicant has requested the introduction of metal cladding. The colour and cladding will be used to the exterior of the building to ensure that the proposed building will maintain and enhance the existing character of the precinct, which meets the recommendations of the Design Guidelines. However, the replacement of windows and introducing aluminium louvers may not be sufficient to maintain the character of the flat itself.

The works have commenced with the fibro sheeting having already been replaced with cream colorbond, and the new sliding windows have been installed. Recent photographs taken in the last month, and provided at Attachment 3, show that the new windows have altered the character of the building, particularly as they are of a different size and style to

the original windows. However, it is noted that the custom made louver shutters have not yet been installed, which may assist in maintaining the original appearance and character of the building, along with painting the louver frames and fascia to match the original blue. It is acknowledged that during the next review of the MHI the listing for the flat will be reviewed in light of the works undertaken and proposed.

As the works have already commenced the Shire can request that retrospective fees apply, issue a fine or prosecute, and can direct that works be undertaken to reinstate original materials and style of windows.

However, it is acknowledged that the Wyndham Historical Society has undertaken the works with the intent of retaining and improving the standard of a heritage building. The Society has stated that they acted in good faith and were initially unaware of the requirement to obtain relevant planning and building approvals from the Shire prior to undertaking the works, and were simply taking action in accordance with the formal notice issued in August 2011.

The application is recommended for approval.

### **ATTACHMENTS**

- Attachment 1 – Municipal Heritage Inventory extract
- Attachment 2 – Written submission and information
- Attachment 3 – Copy of Section 409 (1) Notice
- Attachment 4 – Photographs of works to date
- Attachment 5 – Request to waive fees

### **VOTING REQUIREMENT**

Simple Majority

### **OFFICER'S RECOMMENDATION**

That Council:

- 1) Grants retrospective planning consent for modifications to a heritage listed building at Lot 10 O'Donnell Street, Wyndham, subject to the following conditions:
  - a) An application fee of \$441 is to be paid due to the retrospective nature of the development.
  - b) Development shall be in accordance with the attached approved plan(s) and subject to any modifications required as a consequence of any condition(s) of this approval. The endorsed plans shall not be modified or altered without the prior written approval of the local government.
  - c) The fascia and louver screen frames are to be painted aqua to match the original colouring of the flat and existing colouring of the house.
- 2) Directs the Director Community Development to advise the Wyndham Historical Society in writing that:
  - a) in future any alterations to buildings or sites within the O'Donnell Street precinct or listed in the Shire's Municipal Heritage Inventory will require an application for planning approval to be submitted to the Shire prior to any works being undertaken or may be subject to a fine; and
  - b) in light of the works undertaken the listing of the flat will be required reviewed in accordance with the next review of the Shire's Municipal Heritage Inventory.

## **COUNCIL DECISION**

**Minute No. 10326**

**Moved: Cr B Robinson**

**Seconded: Cr G King**

**That Council:**

- 1) Grants retrospective planning consent for modifications to a heritage listed building at Lot 10 O'Donnell Street, Wyndham, subject to the following conditions:**
  - a) An application fee of \$441 is to be paid due to the retrospective nature of the development.**
  - b) Development shall be in accordance with the attached approved plan(s) and subject to any modifications required as a consequence of any condition(s) of this approval. The endorsed plans shall not be modified or altered without the prior written approval of the local government.**
  - c) The fascia and louver screen frames are to be painted aqua to match the original colouring of the flat and existing colouring of the house.**
- 2) Directs the Director Community Development to advise the Wyndham Historical Society in writing that:**
  - a) in future any alterations to buildings or sites within the O'Donnell Street precinct or listed in the Shire's Municipal Heritage Inventory will require an application for planning approval to be submitted to the Shire prior to any works being undertaken or may be subject to a fine; and**
  - b) in light of the works undertaken the listing of the flat will be required reviewed in accordance with the next review of the Shire's Municipal Heritage Inventory.**

**Carried 8/1**

**For: Cr J Moulden, Cr D Learbuch, Cr K Wright, Cr B Robinson, Cr D Spackman, Cr S Cooke, Cr G Taylor, Cr G King**

**Against: Cr R Dessert**



**NAME:** Bluey Lloyd's House and Flat

**OTHER NAMES:** Bluey Lloyd's

**PIN NUMBER:**

**LAND DESCRIPTION:** Lot 9 and Pt of Lot 10 O'Donnell Street, Wyndham Port

**LOCATION:** O'Donnell Street, Wyndham

**CONSTRUCTION DATE:** 1950s

**PLACE TYPE:** Individual Building(s)

**USE**

Original Use	RESIDENTIAL: Single Storey Residence
Current Use	RESIDENTIAL: Single Storey Residence

**OTHER LISTINGS:** No

**PHYSICAL DESCRIPTION:**

Bluey Lloyd's House and Flat are located on the eastern side of O'Donnell Street in Wyndham Port.

The Flat is detached from the House and is located up to the street alignment. The Flat is small (approximately 6.6m<sup>2</sup>) and is constructed of fibro and tin.

The House is setback from the street alignment and was converted at some point in time into two parts by sealing some of the internal doors and by adding internal walls. The two parts of the House are not entirely segregated however the two parts can be lived in comfortably and privately with access to a central kitchen. The external fabric of the building remains original.

The building style of the House is interesting, in that many features such as the wooden louvers and shutters are of an architectural style earlier than the 1950s when the House was built. The buildings blend in well with the older buildings which comprise the Wyndham Port historic precinct.

**HISTORICAL NOTES:**

Bluey Lloyd is a past member of the Wyndham community. The significance of the House lies in its direct relationship to Bluey Lloyd's standing in the community. She lived much of her life on her own. She worked as a nurse at the hospital and was a much respected resident in the community. Her name was firmly established when she left the buildings to the Historical Society to open as a museum or to assist in raising monies to open a museum.

The House is now used as an office for a funeral business and as private residence. The two parts of the House with centrally accessible kitchen enable the business to operate from one part while the private living quarters remains undisturbed.

The Flat was originally used as a shop with a fuel pump at the front providing fuel to residents of Wyndham Port. The Flat is currently vacant and in poor condition.

**HISTORIC THEME:** People: Local Heroes and Battlers

**CONSTRUCTION** Walls: Timber and Fibro

**MATERIALS:** Roof: Iron

**STATEMENT OF SIGNIFICANCE:**

Bluey Lloyd's House and Flat has Social significance due to its direct relationship to Bluey Lloyd's standing in the community.

**LEVEL OF SIGNIFICANCE:** Some/Moderate significance

**MANAGEMENT CATEGORY (Desired Outcome)** Conservation of the place is desirable  
Any alterations or extensions should reinforce the significance of the place, and original fabric should be retained wherever feasible.

**MAIN SOURCES:**

Agars I C - Wyndham Historical Society (e-mail)

O'Brien Planning Consultants 1997, *Shire of Wyndham-East Kimberley Municipal Heritage Inventory*, Kununurra.

**SURVEY/ASSESSMENT DATE:** 26 June 2007





## Wyndham Historical Society Inc.

– Est. 1990

PO Box 379 – Wyndham- WA – 6740

Ms J Ninnette  
Senior Planning Officer  
Shire of Wyndham – East Kimberley  
PO Box 614  
KUNUNURRA WA 6743

Tuesday 31st December 2013

### Re: **Application Form for Planning Consent – Bluey Lloyd’s Flat**

Dear Jennifer,

As per the SWEK’s request for maintenance to be undertaken on the façade of the single structure known as Bluey Lloyd’s Flat, located on part of Lot 10 O’Donnell St Wyndham (ref. correspondence Aug. 2011), please find attached a request for development approval.

Approval is requested from the Wyndham Historical Society for works resulting in a change in the external appearance of a building or structure, including the treatment of the external surfaces thereof (ref. Wyndham Townsite Planning Scheme No. 6 - section 9.4b).

The structure is detached from the House and located up to the street alignment. For many years it has been vacant and in poor condition.

The Wyndham Historical Society requests approval to a change the external appearance of a building in the following way:

- replace the damaged fibro sheeting with Heritage cream colorbond;
- replace louvred windows with sliding windows and louvred shutters. Louvres will be replicate original louvre size (6”x20”).

The reasons for requesting these aesthetic changes are as follows:

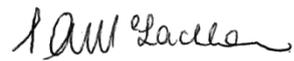
1. Impact rating – We are advised that fibro cladding is less suitable than metal cladding in terms of cyclone rating and durability.
2. White ants – We have had to eradicate white ants from this building and are keen to avoid their return. Fibro cladding would require plywood or similar lining that would attract white ants.
3. Heritage values - These changes respect and are sympathetic to the heritage values of the place. The façade of adjacent shops are corrugated with shuttered windows.
4. Dust – Due to the movement of heavy transport, dust is a problem at this site and louvred windows are an unsuitable barrier. Louvred shutters will maintain a similar appearance to the original façade, whilst allowing for more suitable windows to be fitted, in terms of dust suppression and air conditioning efficiency.
5. Vandalism – The building has for many years been the subject of vandalism, predominantly the smashing of fibro panels and glass louvres. We are keen to re-clad this building in an appropriate heritage style which is also possible to maintain for the future.

Please find 'Application for Planning Consent' Form, explanatory photos and site plan attached. Please advise if you require further information.

I can be contacted on email at [whs6740@yahoo.com.au](mailto:whs6740@yahoo.com.au) or at the address above.

Thanks for your help with this application.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Chris McLachlan".

Chris McLachlan  
Secretary  
Wyndham Historical Society Inc.

**SHIRE OF WYNDHAM - EAST KIMBERLEY**  
**APPLICATION FORM FOR PLANNING CONSENT**

1. Surname of Applicant Wyndham Historical Society Given Names N/A

Full Address PO BOX 379 WYNDHAM 6740

2. Surname of Landowner  
(If different from above N/A Given Names .....

Address .....

3. Submitted by Chris McLachlan, Secretary WHS

4. Address for Correspondence As Above

5. Locality of Development 30 O'DONNELL STREET WYNDHAM 6740

6. Title Details of Land LOT 10 O'DONNELL STREET [P202387] ASS. NO. 1649

7. Name of Road Serving Property O'DONNELL STREET

8. State Type of Development Replace Building Cladding - change in the external appearance

Nature and size of all buildings proposed Single Structure, Detached from Main House and located up to Street Alignment – 6m (frontage) x 10m

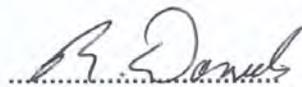
Materials to be used on External Surface of Buildings Colorbond Upper Wall Cladding (Concrete Lower Wall remains). Louvred shutters cover aluminium framed windows.

General Treatment of Open Portions of the Site No change

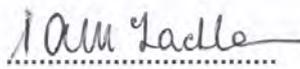
Details of Car Parking and Landscaping Proposals No change

Approximate Cost of Proposed Development \$10,000

Estimated Time for Construction Completion by 31 March 2014



R. Daniels – President WHS



C. McLachlan – Secretary WHS

Signature of Owner

Signature of Applicant or Agent

(Both signatures are required if applicant is not the owner)

Date 31.12.2013

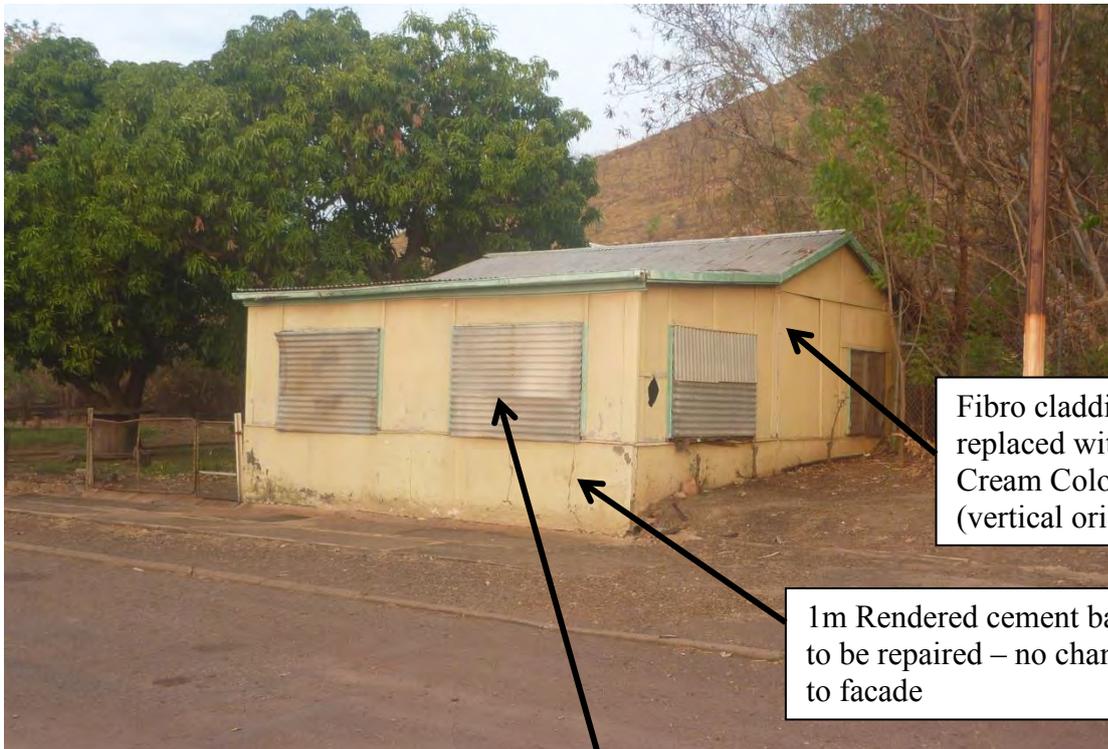
Date 31.12.2013

**NOTE:** This form should be completed and forwarded to the Wyndham - East Kimberley Shire Council together with 2 COPIES of plans showing complete details of the development, including a site plan showing the relationship of the land to the area generally.

In areas where close development exist, or is in the course of construction, plans shall show the siting of buildings and uses on lots immediately adjoining the subject land.



2008 photo, before windows vandalized.



Fibro cladding to be replaced with Classic Cream Colorbond (vertical orientation)

1m Rendered cement base to be repaired – no change to facade

Windows to be replaced with aluminium windows and louvred shutter covers.

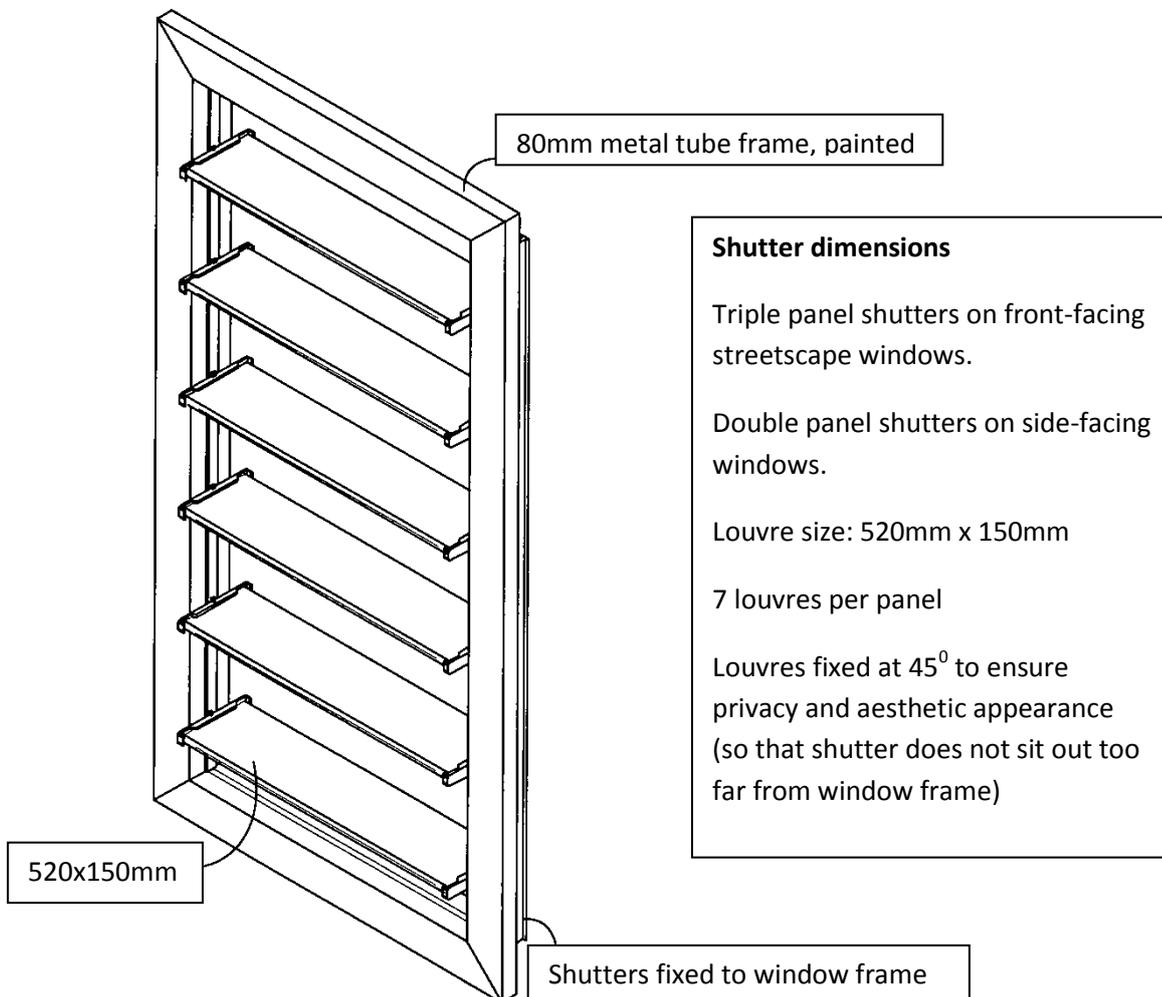
2013 Existing Structure



## Louvred Shutters – Bluey Lloyd Flat, 30 O’Donnell St WYNDHAM



Louvred shutters will fit in with the historic streetscape – this is the next door building; north facing side of the Old Wyndham Hospital.



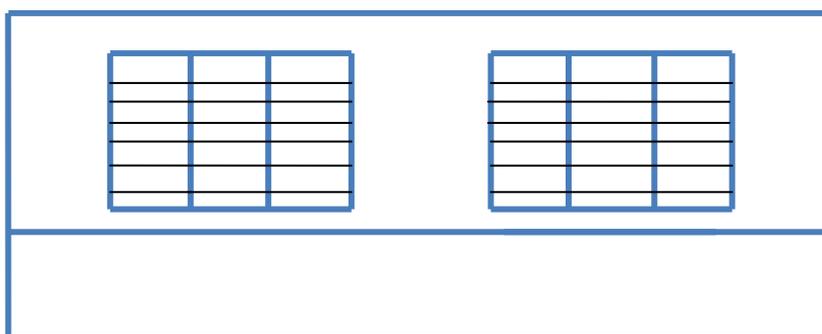
**Louvred Shutters – Bluey Lloyd Flat, 30 O’Donnell St WYNDHAM**



Triple panel louvre shutters on front face (1800 x 1200mm)

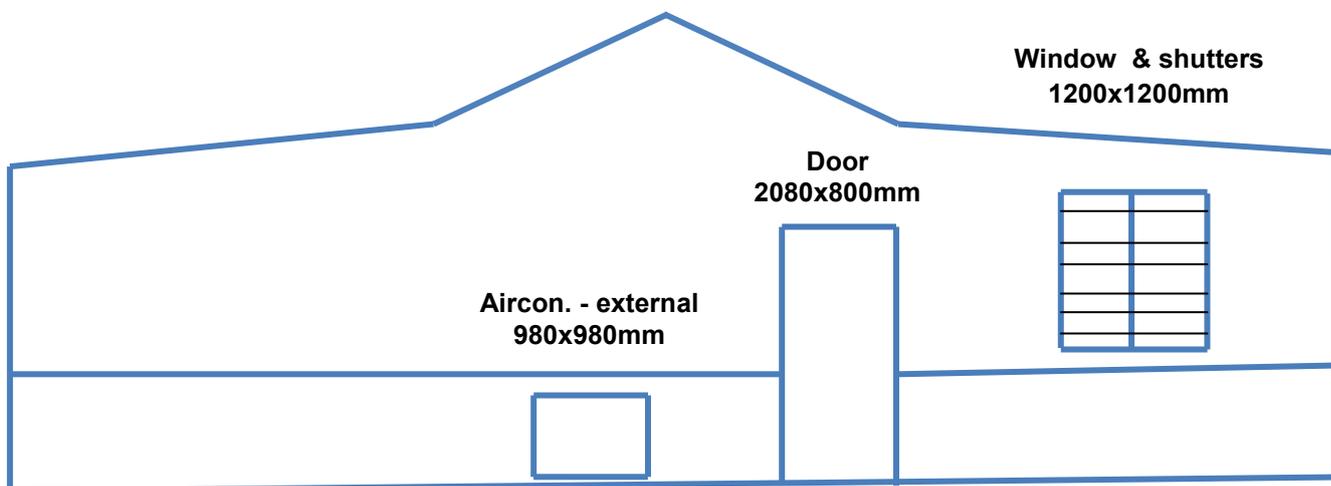
Double panel louvre shutters on side face (1200 x 1200mm)

**Window & shutters  
1800x1200mm**



**West facing (front) wall**

**Louvred Shutters – Bluey Lloyd Flat, 30 O’Donnell St WYNDHAM**



**North facing (side) wall**



**South facing (side) wall**



SHIRE of WYNDHAM | EAST KIMBERLEY

PO BOX 614 KUNUNURRA WA 6743

T | 08 9168 4100  
F | 08 9168 1798  
E | mail@swek.wa.gov.au  
W | www.swek.wa.gov.au  
ABN | 35 647 145 756

Our Ref: A1649P:SM4895

Your Ref:

Enquiries: S McLachlan

31 August 2011

**LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1960**

**DIVISION 12 – NEGLECTED, DILAPIDATED AND UNCOMPLETED BUILDINGS**

**SECTION 409 (1)**

**NOTICE**

TO: Wyndham Historical Society  
PO Box 379  
WYNDHAM WA 6740

FROM: Shire Of Wyndham – East Kimberley  
PO BOX 614  
KUNUNURRA WA 6743

**Notice pursuant to Section 409(1) of the Local Government (Miscellaneous Provisions) Act 1960.**

**WHEREAS** You are the owners/occupiers of a building situated at Lot 9 (30) O'Donnell Street, Wyndham ("the building") within the district of the Shire of Wyndham East Kimberley.

**NOW TAKE NOTICE** that the Council of the Shire of Wyndham East Kimberley **HEREBY GIVES YOU NOTICE** that it has received advice from Council's Building Section to the effect that the said building is in a Neglected and Dilapidated state by reason of the matters specified in the First Schedule hereto.

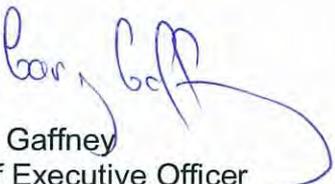
**AND TAKE FURTHER NOTICE** that you are hereby required to forthwith to make safe and repair/demolish the said building by carrying out the works specified in the Second Schedule hereto.

**FURTHER TAKE NOTICE** that if the owner(s)/occupier of the property on whom a Notice has been served is dissatisfied with the requisition of the local government, may apply to the State Administrative Tribunal for a review of the decision to make the requisition within thirty-five (35) days of the date on which the Notice is served upon them.

**AND TAKE FURTHER NOTICE** that if you do not comply with such an order within the time so fixed the Council may cause the said building to be repaired/demolished in such a manner as is necessary and so may apply to the Magistrates Court to seek an order for repair/removal of the building and recover the cost of so doing together with the costs of an incidental to obtaining the said order from you the owner of the said building.

This notice is subject to your right of appeal to the State Administrative Tribunal within thirty five (35) days from this date in accordance with Section 409 (4) of the Local Government (Miscellaneous Provisions) Act 1960. An appeal may be lodged with the State Administrative Tribunal at 12 St Georges Terrace, Perth. Application forms for the State Administrative Tribunal may be obtained from their website: [www.sat.justice.wa.gov.au](http://www.sat.justice.wa.gov.au).

Dated this Thirty first day of August 2011.

  
Gary Gaffney  
Chief Executive Officer  
Shire of Wyndham –East Kimberley

**FIRST SCHEDULE  
409(1)**



**Lot 9 (30) O'Donnell Street Wyndham**

Structure: Class 1A Residential/Former Class 6 Retail building  
Flat "Bluey Lloyd's House & Flat"  
Asbestos fibre sheet, concrete & corrugated iron clad, timber frame building.

This structure is listed on the Municipal Heritage Inventory – LGA Place No. 05 and was initially constructed in 1950's.

At the time of inspection for the Municipal Heritage Inventory in 1997, the condition of the building was listed as "Good" and the original fabric of the building as "intact with some alterations in 1970s".

The building appears to be unoccupied with minimal maintenance having been carried out to maintain the structure. The structure has deteriorated significantly, it is noted that asbestos and metal sheeting is both loose and has come adrift. It is suspected that some of the timber framework may be subject to termite/dry rot damage.

## **SECOND SCHEDULE**

### **409(1)**

#### **409(1)**

#### **Power to compel renovation of dilapidated buildings:**

1. Secure the premises with the erection of a minimum 1.8 metre high chain link mesh fence to prevent unauthorised access within the building and to prevent debris from entering the adjacent pedestrian access and prevent injury to the public and adjacent structures.
2. Secure the loose roof and wall sheeting
3. Provide temporary structural props within the building for beams and timbers which appear to be nearing a state of structural failure.
4. Initiate and effect repairs to the structure, with a priority on the dilapidated façade to the building which fronts O'Donnell Street.
5. Provide Council with a timeframe schedule for effecting repairs to the structure.

#### **Notes:**

1. Maintenance/repairs to the structure, encompassing replacement of like for like materials does not necessitate application for a building licence application. Building Licence application shall be made for any major alterations/modifications to the building fabric.
2. Demolition or removal of asbestos product shall be subject to application for a Demolition Licence and works comprising the removal of more than 10m<sup>2</sup> of asbestos product require a Western Australian Registered Asbestos contractor to undertake the removal.

Attachment 4: Photographs of works to date







**Wyndham Historical Society Inc.**  
– Est. 1990

**PO Box 379 – Wyndham- WA – 6740**

Ms. Jennifer Ninnette  
SWEK Senior Planning Officer  
PO Box 614  
KUNUNURRA WA 6743

Sunday 16th February 2014

**Re: Request to waive penalty fees relating to Planning Consent – Bluey Lloyd’s Flat**

Dear Jennifer,

In 2011, the Wyndham Historical Society (WHS) was issued with a Formal Notice to “undertake remedial works or the removal” of the structure known as Bluey Lloyd’s flat.<sup>1</sup>

After raising funds to do this, we commenced replacing the upper part of the walls and the windows on 27/12/2013. As the base of the walls and the roof remained intact, we believed these works to be of a remedial nature, and thus did not apply for a SWEK permit.

On 30/12/2013 Sharon McLachlan visited the site and advised that an Application for Planning Consent was required. I immediately complied and forwarded an application, in line with your requirements on 31/12/2013.<sup>2</sup>

On Friday 14/02/2014 you advised that a fine would be payable for this late application. We understand the penalty to be \$417.

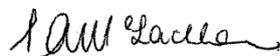
As we have acted in good faith at all times in this matter, we respectfully ask that the above fine is waived in this case.

WHS is a volunteer group. We receive no external funding and any penalty will cause us considerable financial burden.

We thank you for your consideration of our request.

WHS have also made representation to SWEK Shire Councillors regarding this request.

Yours sincerely,



Chris McLachlan  
Secretary  
Wyndham Historical Society

---

<sup>1</sup> Due to vandalism all windows and some fibro wall cladding were damaged. Ref. SWEK A1649P:SM4896

<sup>2</sup> Louvred shutters were included to comply with these requirements.

## **13.5 CHIEF EXECUTIVE OFFICER**

### **13.5.1 Use of the Common Seal**

No reports

### 13.5.2 Delegated Authority Report

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Sharmayne Halliday, Governance Officer
<b>REPORTING OFFICER:</b>	Gary Gaffney, Chief Executive Officer
<b>FILE NO:</b>	PL.02.1

#### **PURPOSE**

To report to Council on the use of Delegated Authority by Officers for the period 1 January to 31 January 2014.

#### **BACKGROUND**

Use of Council approved Delegated Authority by Officers is reported to Council on a monthly basis.

The attached tables outline use of Delegated Authority by relevant Officers for the above period.

#### **STATUTORY IMPLICATIONS**

Local Government Act 1995 - Sect 5.46

5.46. Register of, and records relevant to, delegations to CEO's and employees.

The CEO is to keep a register of the delegations made under this Division to the CEO and to employees.

At least once every financial year, delegations made under this Division are to be reviewed by the delegator.

A person to whom a power or duty is delegated under this Act is to keep records in accordance with regulations in relation to the exercise of the power or the discharge of the duty.

#### **POLICY IMPLICATIONS**

No policy implications apply in the preparation of this report.

#### **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this item.

#### **STRATEGIC IMPLICATIONS**

There are no strategic implications associated with this matter

#### **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

## **COMMENT**

The attached report outlines the use of Delegated Authority by relevant Council Officers for endorsement by Council.

## **ATTACHMENTS**

Attachment 1 – Delegated Authority Report

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICERS RECOMMENDATION**

That Council receives the Delegated Authority Report for the period 1 January to 31 January 2014.

## **COUNCIL DECISION**

**Minute No. 10327**

**Moved: Cr B Robinson**

**Seconded: Cr D Learbuch**

**That Council receives the Delegated Authority Report for the period 1 January to 31 January 2014.**

**Carried Unanimously 9/0**

**CERTIFICATE OF DESIGN COMPLIANCE (Form BA03) ISSUED AS THE CERTIFIER FOR THE PERMIT ISSUING AUTHORITY –  
01 to 31 January 2014**

<b>APPLIC NO</b>	<b>DATE APPLIC RECVD</b>	<b>DATE ISSUED</b>	<b>ASSESS NO.</b>	<b>CERT No</b>	<b>LOCATION</b>	<b>DESCRIPTION</b>
101281	9/01/2014	10/01/2014	A7562P	BA6087	Lot 506 Millington Drive Kununurra	Class 1A Caretakers Dwelling with attached Class 10A verandah
73250	9/01/2014	10/01/2014	A1747P	BA6089	Lot 1895 (23) Sandalwood Street Kununurra	Class 10A Non-habitable shed
101279	8/01/2014	10/01/2014	A922P	BA6095	Lot 1002, (3) Sorghum Place, Kununurra	Class 10A Non-habitable garage with attached carport

**BUILDING PERMITS (Form BA04) ISSUED AS THE PERMIT ISSUING AUTHORITY – 01 to 31 January 2014**

LIC#	DATE RECEIVED	DATE LICENCED	OWNER	BUILDER	LOCATION	DESCRIPTION	NEW/ADD	EST. VALUE	COMMENT / PROCESSING TIME – WORKING DAYS
001/2014	9/01/2014	10/01/2014	"Triple J Tours Lease" Shire of Wyndham East Kimberley	East Kimberley Constructions Pty Ltd	Lot 506 Millington Drive Kununurra	Class 1A Caretakers Dwelling with attached Class 10A verandah	New	\$ 164,000.00	1/25 assess days
002/2014	9/01/2014	10/01/2014	GEHA (Department of Housing)	Shayne McKinlay & Kath Ryan	Lot 1895 (23) Sandalwood Street Kununurra	Class 10A Non-habitable shed	New	\$ 500.00	1/25 assess days
003/2014	8/01/2014	13/01/2014	Neil & Allison Portas	Neil & Allison Portas	Lot 1002, (3) Sorghum Place, Kununurra	Class 10A Non-habitable garage with attached carport	New	\$ 18,500.00	2/25 assess days
004/2014	23/01/2014	29/01/2014	McWaters Holdings Pty Ltd	Gary Holben t/as Pandanus Homes	Lot 103 (18) Salacca Loop Kununurra	Class 5 Offices and Class 4 Caretakers Residence with attached Class 10A verandah & carport	New	\$ 550,000.00	3/10 assess days
005/2014	23/01/2014	29/01/2014	Berkeley River Lodge	Pat Walton Services	Marndoc Loc 11 "Berkeley River " via Wyndham 6740	Class 1B - Staff Accommodation	New	\$ 98,750.00	3/10 assess days
								<b>\$ 831750.00</b>	

**DEMOLITION PERMITS (Form BA06) ISSUED AS THE PERMIT ISSUING AUTHORITY – 01 to 31 January 2014**

DEMO LIC#	DATE APPLIC RECVD	DATE LICENCED	ASSESS NO.	BA RECORD	OWNER	BUILDER/ DEMOLITION CONTRACTOR	DEMO CLASS (1, 2 or 3)	WAD CLASS/ LIC NO	LOCATION	DESCRIPTION
DP001/2014	14/01/2014	17/01/2014	A168P	BA6115	Department of Housing (GEHA)	Wyndham Excavations / Mathinna Pty Ltd t/as P&C Welding & Constructions	WARA	WAD 219	Lot 1080 (29) Dulverton Street Wyndham	Class 1A Full Demolition
DP002/2014	14/01/2014	17/01/2014	A169P	BA6116	Department of Housing (GEHA)	Wyndham Excavations / Mathinna Pty Ltd t/as P&C Welding & Constructions	WARA	WAD 219	Lot 1081 (27) Dulverton Street Wyndham	Class 1A Full Demolition
DP003/2014	14/01/2014	17/01/2014	A169P	BA6117	Department of Housing (GEHA)	Wyndham Excavations / Mathinna Pty Ltd t/as P&C Welding & Constructions	WARA	WAD 219	Lot 933 (10) Dulverton Street Wyndham	Class 1A Full Demolition

**OCCUPANCY PERMITS (Form BA10) ISSUED – 01 to 31 January 2014**

OCCUP PERMIT NO	DATE	BUILDING PERMIT / LICENCE NO	ASSESS NO.	Receipt No	Buildin g Class	OWNER	BUILDER	BRB / OB NO	LOCATION	DESCRIPTION
BA6108	14/01/2014	031/2011	A7108P	N/A prior to 01.04.2012	4 & 7B/8	Phil Read	Phil Read	Owner/Builder - not within jurisdiction of Builders Registration Board	Lot 112 (10) Salacca Loop Kununurra	Class 7B/8 Commercial Production & Storage Shed with attached Class 4 Residential

**CERTIFICATES OF CONSTRUCTION COMPLIANCE (Form BA17) ISSUED AS THE CERTIFIER FOR THE PERMIT ISSUING AUTHORITY – 01 to 31 January 2014**

<b>APPLIC NO</b>	<b>DATE ISSUED</b>	<b>ASSESS NO.</b>	<b>CERT No</b>	<b>BUILDING PERMIT NO</b>	<b>LOCATION</b>	<b>DESCRIPTION</b>
69357	14/01/2014	A7108P	BA6106	031/2011	Lot 112 Salacca Loop Kununurra	Class 7B/8 Commercial Production & Storage Shed with attached Class 4 Residential

**THERE WAS NO REPORTABLE ACTIVITY FOR THE PERIOD – 01 to 31 January 2014 for the following:**

- AMENDMENTS TO EXISTING BUILDING PERMIT (Form BA04) ISSUED AS THE CERTIFIER FOR THE PERMIT ISSUING AUTHORITY
- BUILDING PERMITS (BA04), DEMOLITION PERMITS (BA06) AND CERTIFICATES OF DESIGN COMPLIANCE (BA03) Record Purposes Only (exempt) ISSUED BY EXTERNAL PERMIT ISSUING AUTHORITIES UNDER BUILDING ACT 2011 S.7(02) RELATING TO PROPERTIES WITHIN THE SHIRE OF WYNDHAM EAST KIMBERLEY
- OCCUPANCY PERMITS (Form BA10) ISSUED BY EXTERNAL PERMIT ISSUING AUTHORITIES UNDER BUILDING ACT 2011 S.7(02) RELATING TO PROPERTIES WITHIN THE SHIRE OF WYNDHAM EAST KIMBERLEY
- OCCUPANCY PERMITS – STRATA (BA12)
- BUILDING APPROVAL CERTIFICATES (Form BA14)
- BUILDING APPROVAL CERTIFICATES – STRATA (Form BA16)
- CERTIFICATES OF CONSTRUCTION COMPLIANCE (Form BA17)
- CERTIFICATES OF BUILDING COMPLIANCE (Form BA18)
- EXTENSIONS OF TIME GRANTED TO EXISTING BUILDING PERMITS (BA04)
- SIGN LICENCES
- FORMAL NOTICE / BUILDING ORDER – pursuant to Building Act 2011

### 13.5.3 Alternative Bridge Concept

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Diversion Dam, Kununurra
<b>AUTHOR:</b>	Gary Gaffney, Chief Executive Officer
<b>REPORTING OFFICER:</b>	Gary Gaffney, Chief Executive Officer
<b>FILE NO:</b>	N/A

#### **PURPOSE**

The purpose of this report is to discuss an option regarding a vehicle bypass of the Kununurra Diversion Dam.

#### **BACKGROUND**

At a meeting in November 2013 Cr Wright and the CEO met with Main Roads Managing Director, Steve Troughton and Executive Director John Erceg to discuss a range of issues. During the discussions Cr Wright mentioned that a concept he had previously discussed with Main Roads and requested that the concept he developed be brought to a briefing session.

#### **STRATEGIC IMPLICATIONS**

Nil

#### **STATUTORY IMPLICATIONS**

Nil

#### **POLICY IMPLICATIONS**

Nil

#### **FINANCIAL IMPLICATIONS**

Nil

#### **COMMUNITY CONSULTATION**

Nil

#### **COMMENT**

The Kununurra heavy vehicle route has been a project that Main Roads has been progressing over a number of years. The existing height and width restrictions on the Kununurra Diversion Dam, upgrade and maintenance, restricting traffic flows to a narrow single lane therefore restricting wide loads during daylight hours is becoming a significant ongoing constraint on the Perth to Darwin corridor of the National Land Transport Network.

It is considered by Main Roads that an alternative to the current access will remove all heavy haulage permit vehicles and the majority of other vehicles from the existing crossing of the Ord River on Kununurra Diversion Dam.

The majority of the preconstruction activity for a new road from the Victoria Highway west of the Kununurra town side to Weaber Plain Road north of the Kununurra town site had been completed as stage one of the project. The Kununurra heavy vehicle route stage one western link environmental impact assessment was completed in November 2008 and in July 2010 Main Roads undertook a community consultation phase.

Main Roads has completed preliminary design and clearances for the project, material investigations and other preconstruction activities to ready the project for future State and Federal budget processes. The major cost of the project is a 480 m bridge over the Ord River located approximately 7 km downstream of the Kununurra Diversion Dam. The cost of construction of this bridge has been a major impediment of the project.

### **ATTACHMENTS**

Attachment 1 – Proposed Bridge Structure

### **VOTING REQUIREMENT**

Simple Majority

### **OFFICERS RECOMMENDATION**

That Council writes to the Managing Director Main Roads suggesting that Main Roads should consider alternative bridge locations to the existing planned route.

### **COUNCIL DECISION**

**Minute No. 10328**

**Moved: Cr K Wright**

**Seconded: Cr D Learbuch**

**That Council writes to the Managing Director Main Roads suggesting that Main Roads should consider alternative bridge locations to the existing planned route.**

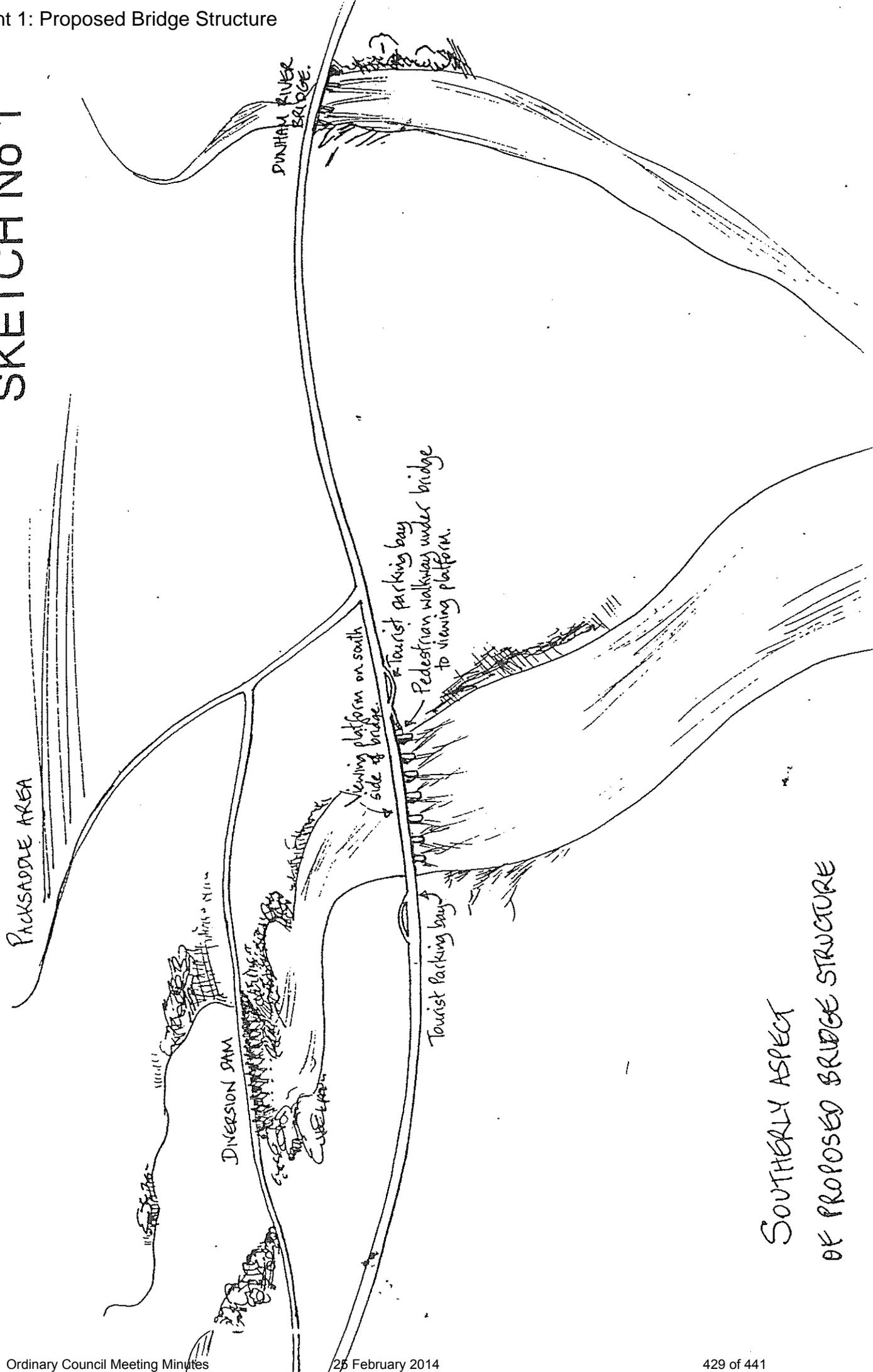
**Lapsed 4/5**

**For: Cr G King, Cr D Spackman, Cr K Wright, Cr D Learbuch**

**Against: Cr J Moulden, Cr R Dessert, Cr B Robinson, Cr S Cooke, Cr G Taylor**

# SKETCH NO 1

PACKSADDLE AREA



SOUTHERLY ASPECT  
OF PROPOSED BRIDGE STRUCTURE

## 13.6 ELECTED MEMBER REPORTS

### Cr J Moulden

23 January	Lake Kununurra Foreshore Committee Meeting
26 January	Australia Day Celebrations, Wyndham
28 January	NBN Co Briefing
30 January	Meeting with Stephen Dawson MLA
4 February	Alcohol Accord Meeting
22 – 24 February	Kimberley Zone / Regional Collaborative Group Forum, Darwin

### Cr K Wright

12 February	Experience Extraordinary East Kimberley
22 – 23 February	Broaden Horizons Forum, Darwin

### Cr Glenn Taylor

4 February	Alcohol Accord Meeting
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### Cr Beau Robinson

18 February	Meeting with Jim Engelke from KAI to discuss the development of Ord Stage 2
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### **COUNCIL DECISION**

**Minute No. 10329**

**Moved: Cr D Learbuch**

**Seconded: Cr D Spackman**

**That Council accepts the Elected Members Reports for the period 23 January to 18 February 2014.**

**Carried Unanimously 9/0**

## 13.7 CHIEF EXECUTIVE OFFICER REPORTS

The Chief Executive Officer attended the following meetings:

29 January	Experience Extraordinary East Kimberley Meeting
29 January	Meeting with Chris Ziatas from Department of Lands to discuss progress on existing jobs
30 January	Meeting with Ms Josie Farrer MLA & Hon Stephen Dawson MLC
31 January	Meeting with Sandra Mitchell & Jeffrey Stanton, Business Development Manager from East Kimberley Job Pathways, to discuss joint initiatives
3 February	Review of the KRCG Governance Agreement
4 February	Alcohol Accord Meeting
4 February	VET Stakeholder Forum
6 February	Meeting with John Graham from Rio Tinto
6 February	Meeting with Toby Farquar regarding Relay for Life Program
7 – 9 February	Kimberley DFES - OASG Meetings (Flood event)
12 February	EKMG Committee Meeting
12 February	Meeting with Minister for Water, Hon Mia Davies
19 February	Meeting with MG Corporation
19 February	Meeting with Grant Pipe from FESA
19 February	Meeting with Superintendent Mick Sutherland, WAPOL
22 & 23 February	Common Borders Forum
24 February	Kimberley Zone & RCG Meeting

### **COUNCIL DECISION**

**Minute No. 10330**

**Moved: Cr D Learbuch**

**Seconded: Cr B Robinson**

**That Council accepts the Chief Executive Officer Reports for the period 29 January to 24 February 2014.**

**Carried Unanimously 9/0**

**14. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**15. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

Nil

**16. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY  
DECISION**

Nil

**COUNCIL DECISION**

**Minute No. 10331**

**Moved: Cr S Cooke**

**Seconded: Cr D Spackman**

**That Council moves behind closed doors to consider confidential items.**

**Carried Unanimously 9/0**

**17. MATTERS BEHIND CLOSED DOORS**

**17.1 LEASE CHANGES FOR APPROVAL KUNUNURRA VISITOR CENTRE:  
TOURISM HOUSE**

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Janet Takarangi Economic Development Officer
<b>REPORTING OFFICER:</b>	Gary Gaffney, Chief Executive Officer
<b>FILE NO:</b>	CP.07.8

The business of the meeting is of a confidential nature as it relates to the business affairs of a person. The item will be discussed Behind Closed Doors under Section 5.23 (2) (c) and (e) (ii) as this is a matter that affects:

- c) A contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.
- e) A matter that if disclosed, would reveal –
  - (ii) information that has a commercial value to a person.

**PURPOSE**

This report seeks Council approval to change the lease for the Kununurra Visitor Centre located in Tourism House. Council approval is a requirement in the Head Lease.

**VOTING REQUIREMENT**

Simple Majority

**COUNCIL DECISION**

**Minute No. 10332**

**Moved: Cr B Robinson**

**Seconded: Cr D Learbuch**

**That Council approves the lease extension for into the space previously known as Suite 4 in Tourism House Kununurra to the Kununurra Visitor Centre and that a letter is written to Australia's Northwest outlining this decision.**

**Carried Unanimously 9/0**

## 17.2 TENDER EVALUATION REPORT T02 13/14

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Peter Kerp, Manager Engineering Services
<b>REPORTING OFFICER:</b>	Kevin Hannagan, Director Infrastructure
<b>FILE NO:</b>	CM.16.67
<b>ASSESSMENT NO:</b>	Tender T02 13/14

The business of the meeting is of a confidential nature as it relates to the business affairs of a person. The item will be discussed Behind Closed Doors under Section 5.23 (2) (c) and (e) (ii) as this is a matter that affects:

- c) A contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.
- e) A matter that if disclosed, would reveal –
  - (ii) information that has a commercial value to a person.

### **PURPOSE**

To provide Council with details of the Tenders received for T02 13/14 Period Tender Professional Consultancy Engineering Services, document the results of the tender assessment and make recommendations regarding award of the Tender.

### **VOTING REQUIREMENT**

Simple Majority

## **COUNCIL DECISION**

**Minute No. 10333**

**Moved: Cr D Learbuch**

**Seconded: Cr B Robinson**

**That Council accepts the Tenders submitted by:**

- **SJR Civil Consulting Pty Ltd, 30 North Road, Bassendean, WA, 6054;**
- **Survey North Pty Ltd, 5/2B MacPherson Street, Broome, WA, 6725;**
- **Core Business Australia, 2/22 Fairbairn Road, Busselton WA,;**
- **Pritchard Francis, PO Box 3634, Broome, WA, 6725;**
- **Shawmac Pty Ltd, 1st Floor, 908 Albany Highway, East Victoria Park, WA, 6101;**
- **GHD Pty Ltd, PO Box 3106, Perth, WA, 6832;**
- **Cardno, 2 Bagot Road, Subiaco, WA 6008;**
- **Brown Consulting (WA) P/L, 66 St Georges Terrace, Perth WA 6831,**
- **Bostej Consulting Engineers, 22/2232B Albany Highway, Gosnells WA, 6110;**
- **CDMS Consulting Engineers, Level 6 524 Hay Street, Perth WA 6000;**
- **Hydro-Plan P/L 42 Hurtle Square, Adelaide SA 5000;**
- **360 Environmental P/L, 10 Bermondsey Street, West Leederville, WA 6007;**
- **Lycopodium Infrastructure P/L, Level 5 1 Adelaide Terrace, East Perth WA 6004;**
- **Sage Consulting Engineers P/L, 876 Albany Highway East Victoria Park WA 6101;**
- **Structerre Consulting Engineers, 1 Erindale Road, Balcatta WA 6021;**
- **Anser Group P/L, 27 Outram Street West Perth WA 6005;**
- **SGS Australia P/L, 5 Yelland Way, Bassendean WA 6054;**
- **BG&E P/L, 484 Murray Street, Perth WA 6000;**
- **BOS Surveying P/L t/a Survey Results, 6/516 Guildford Road, Bayswater WA 6053;**
- **AURECON AUSTRALIA P/L, Level 1, 256 Adelaide Terrace, Perth WA 6000;**
- **Worley Parsons Services P/L, Level 12, 141 Walker Street, Sydney NSW 2060;**
- **Ochre West P/L, 22 Parlet Duncraig WA 6023;**
- **WML Consultants 1<sup>st</sup> Floor 62 Wittenoom Street, Bunbury WA 6230;**
- **W&G Engineers P/L t/a Wallbridge & Gilbert 20 Mews Road Fremantle WA 6164;**
- **URBANISE P/L Unit 210, 396 Scarborough Beach Road, Osborne Park WA 6017;**
- **Porter Consulting Engineers, Level 2, 58 Kishorn Road, Mount Pleasant WA 6153;**
- **River Engineering Pty Ltd, 3/3 Pamment Street, North Fremantle WA 6159;**
- **ADG Engineers (Aust) P/L, 318 St Pauls Terrace, Fortitude Valley, Queensland 4006.**

**for Tender T02 13/14 Period Tender Professional consultancy Engineering Services, for the contract period of two (2) years commencing from the date of execution of the Contract expiring 1 March 2016, with engagement of professional services being obtained based on availability, price, level of service, proven performance and suitability in relation to specific job requirements, and in accordance with the tender documentation and schedule of prices.**

**Carried Unanimously 9/0**

### 17.3 TENDER EVALUATION REPORT T03 13/14 – STREET SWEEPING SERVICES

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Peter Kerp, Manager Engineering Services
<b>REPORTING OFFICER:</b>	Kevin Hannagan, Director Infrastructure
<b>FILE NO:</b>	CM.16.68
<b>ASSESSMENT NO:</b>	Tender T03 13/14

The business of the meeting is of a confidential nature as it relates to the business affairs of a person. The item will be discussed Behind Closed Doors under Section 5.23 (2) (c) and (e) (ii) as this is a matter that affects:

- c) A contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.
- e) A matter that if disclosed, would reveal –
  - (ii) information that has a commercial value to a person.

#### **PURPOSE**

To provide Council with details of the Tenders received for T03 2013/2014 Street Sweeping Services, document the results of the tender assessment and make recommendations regarding award of the Tender.

#### **VOTING REQUIREMENT**

Simple Majority

#### **COUNCIL DECISION**

**Minute No. 10334**

**Moved: Cr B Robinson**

**Seconded: Cr S Cooke**

**That Council:**

- 1) Accepts the tender submitted by Toxfree Solutions, PO Box 1108, Osborne Park for (\$200,200.00 per annum (inclusive GST, excluding CPI and variations) with initial period of five (5) years with an option of further five (5) years)Tender T03 2013/2014 Street Sweeping Services in accordance with the tender documentation, conditional on the Kimberley Group of Local Governments, comprising the Shire of Broome, Shire of Derby West Kimberley and Shire of Wyndham East Kimberley accept tenders submitted by Toxfree Solutions, PO Box 1108, Osborne Park for Tender T04 2013/2014 Waste Collection Services.**
- 2) That Council delegates authority to the Shire President and Chief Executive Officer to execute the contract documents**

**Carried Unanimously 9/0**

## 17.4 TENDER EVALUATION REPORT T04 13/14 – WASTE COLLECTION SERVICES

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Shire of Wyndham East Kimberley
<b>AUTHOR:</b>	Peter Kerp, Manager Engineering Services
<b>REPORTING OFFICER:</b>	Kevin Hannagan, Director Infrastructure
<b>FILE NO:</b>	CM.16.69
<b>ASSESSMENT NO:</b>	Tender T04 13/14

The business of the meeting is of a confidential nature as it relates to the business affairs of a person. The item will be discussed Behind Closed Doors under Section 5.23 (2) (c) and (e) (ii) as this is a matter that affects:

- c) A contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.
- e) A matter that if disclosed, would reveal –
  - (ii) information that has a commercial value to a person.

### **PURPOSE**

To provide Council with details of the Tenders received for T04 2013/2014 Waste Collection Services, document the results of the tender assessment and make recommendations regarding award of the Tender.

### **VOTING REQUIREMENT**

Simple Majority

## **COUNCIL DECISION**

**Minute No. 10335**

**Moved: Cr G King**

**Seconded: Cr B Robinson**

**That Council:**

- 1) accepts the tender submitted by Toxfree Solutions, PO Box 1108 Osborne Park for (\$586,731.86 per annum (inclusive GST, excluding variations) with initial period of five (5) years with an option of further five (5) years), Tender T04 2013/2014 Waste Collection Services in accordance with the tender documentation, conditional on the Kimberley Group of Local Government, comprising the Shire of Broome and Shire of Derby West Kimberley accept tenders submitted by Toxfree Solutions, PO Box, Osborne Park for Tender T04 2013/2014 Waste Collection Services.**
- 2) That Council delegates authority to the Shire President and Chief Executive Officer to execute the contract documents**

**Carried Unanimously 9/0**

## Shire President Cr J Moulden accepts late item 17.5 Key Worker Housing Project

### 17.5 KEY WORKER HOUSING PROJECT

<b>DATE:</b>	25 February 2014
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Gary Gaffney, Chief Executive Officer
<b>REPORTING OFFICER:</b>	Gary Gaffney, Chief Executive Officer
<b>FILE NO:</b>	N/A

The business of the meeting is of a confidential nature as it relates to the business affairs of a person. The item will be discussed Behind Closed Doors under Section 5.23 (2) (c) and (e) (ii) as this is a matter that affects:

- c) A contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.
- e) A matter that if disclosed, would reveal –
  - (ii) information that has a commercial value to a person.

#### **PURPOSE**

This report is to update Councillors on the negotiations regarding the purchase of Key Worker housing as reported at the Council meeting of 28 January 2014 and recommends that Council enter into negotiations for the purchase of three dwellings.

#### **VOTING REQUIREMENT**

Simple Majority

#### **COUNCIL DECISION**

**Minute No. 10336**

**Moved: Cr B Robinson**

**Seconded: Cr D Learbuch**

**That Council:**

- 1) Authorises the CEO and Shire President to sign the Offer and Acceptance documentation for the purchase of staff housing being 2 X 2 Bedroom, 1 Bathroom units and 1 X 3 Bedroom, 2 Bathroom properties located at 130 Casuarina Drive Lakeside Kununurra;**
- 2) Authorises the CEO and Shire President to duly execute the purchase documentation with the common seal of the Shire of Wyndham East Kimberley when the offer is formally accepted.**

**Carried Unanimously 9/0**

**COUNCIL DECISION**

**Minute No. 10337**

**Moved: Cr K Wright**

**Seconded: Cr B Robinson**

**That Council moves out from behind closed doors.**

**Carried Unanimously 9/0**

**18. CLOSURE**

The Shire President declares the meeting closed at 6:25pm.