



MINUTES OF ORDINARY MEETING OF COUNCIL HELD ON 25 MARCH 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: 29/4/2014

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**SHIRE OF WYNDHAM EAST KIMBERLEY
MINUTES OF THE ORDINARY COUNCIL MEETING
KUNUNURRA COUNCIL CHAMBERS**

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

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
W Richards	Acting Director Community Development
M Tonkin	Executive Assistant to the Chief Executive Officer
D McCallum	Governance Officer (Minute Taker)

GALLERY

Jennifer Ninnette	Senior Planning Officer (SWEK)
Peter Kerp	Manager Engineering Services (SWEK)
Julia Hall	Manager Property and Regulatory Services (SWEK)
Rob Storey	Member of Public
Vicky Biorac	Member of Public
Glenda Harding	Member of Public
Susan Cottle	Member of Public
Peter Cottle	Member of Public
Craig Palmer	Member of Public
Keeley Palmer	Member of Public
Yvette McCleary	Member of Public
Jo Fennell	Member of Public
Charlie Biorac	Member of Public
Jeff Walters	Member of Public
Jenny Spragg	Member of Public
Terry French	Member of Public

APOLOGIES

Nil

LEAVE OF ABSENCE PREVIOUSLY APPROVED

Nil

3. DECLARATION OF INTEREST

- **Financial Interest**

Nil

- **Impartiality Interest**

Nil

- **Proximity Interest**

Cr G Taylor declares a Proximity Interest to Item 13.4.5 – Development Application for 3 Chalets at Lot 530 River Farm Road, Kununurra

4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

The following general question was submitted by Jenny Spragg and Terry French:

EK25K report says there was a low stock of available properties in Q4 2013. In Q1 2014 there are 61 rentals and 89 properties for sale. Rents are dropping properties stagnating. Landcrop has 21 residential blocks for sale in Kununurra. Argyle Diamond Mine has downsized, Leightons has finished, all schools have downsized, tourism is seasonal, Sorby Hills has been knocked back by the EPA. Project investment according to EK25Kp41 report states there are no proposed projects for 2014, 2015, 2017. Looks like 2016 \$1m project?

What is happening to attract and retain business investment and people into the area to fill these empty properties? Many applications for limited job opportunities in 2013 i.e. 75 applications for 2 police clerk jobs 2013. We are very worried about our exposure in Kununurra market & would like to sell our unit as a result (if there weren't already 2 for sale in the same complex.)

Answer:

The period from 2009 to 2013 saw unprecedented growth in the East Kimberley due to the investment of the State Government's \$332 million and Federal Government \$195 million in the Ord Stage 2 and the East Kimberley Development Package. This investment stimulated the demand for housing due to the increased labour requirements and shielded other industries from the effects of the Global Financial Crisis and its after effects. During the same period Argyle Diamond mine was undertaking a transition in mining methodology which also stimulated the local economy due to the capital program it undertook.

Economic growth has slowed nationally and regionally during 2013 to 2.3% and according to economists Australia's 2014 economic growth will grow at a rate of 2.7% according to Westpac's senior economist Matthew Hassan.

The East Kimberley economy is estimated to be \$549 million excluding the public sector; mining is estimated at \$200 million, retail \$126 million, tourism \$110 million, agriculture \$79 million and housing construction \$25 million.

Key projects are continuing in the East Kimberley with Ord Stage 2 moving from the construction phase to land clearing and preparation for cropping. Tropical Forest Services will increase its harvesting operations in 2014 and the Western Australian Environmental Protection Authority (EPA) has dismissed an appeal against ASX-listed KBL Mining's development of its Sorby Hills silver/lead/zinc project. KBL is expecting to start construction at Sorby Hills by mid-2014, with operations expected to start 12 months later. There are several mining projects in the exploration stages in the East Kimberley and the Council continues to assist these companies in ensuring that their investment decisions are in the East Kimberley.

The Council in 2013 undertook a strategic review in tourism as a key driver of our economy as it has an annual direct contribution of \$100 million and a multiplier effect of \$1.98 making the total contribution to the local economy of \$300 million. The Shire released its East Kimberley Tourism Plan 2022 in November 2013 and local industry leaders are using this as the blueprint for future growth. There is now an Industry Group driving this to develop key activities for growth. This project is in partnership with Tourism WA AND Australia's Northwest Tourism as well as industry and the Shire. Being East Kimberley focussed this will also be open to the Shire of Halls Creek and the tourism industry across the whole of the East Kimberley.

Economies are built and not bought; and the Council is working on all aspects of the economy that it has an influence to ensure that it achieves the Councils Vision *"For the East Kimberley to be a thriving community with opportunity for all."*

5. PUBLIC QUESTION TIME

The following question was submitted from Peter Cottle of 528 River Farm Road, Kununurra to the Chief Executive Officer on Tuesday 25 March 2014 at 10:30am. The question relates to Item 13.4.5 of the March OCM Agenda – Development Application for 3 Chalets at Lot 530 River Farm Road, Kununurra.

There is a community of farmers on River Farm Road who have been operating high value, intensive horticulture farms for decades. This development application has created grave concern.

The summary prepared by the Shire Planning Officer clearly outlines how the application fails to meet any of the criteria required in Town Planning Scheme (TPS) 7.

Further, the application process itself showed that TPS 7 section 5.22.2 contradicts state planning policy and the local planning strategy, which states that prime agricultural land needs to be protected from competing land use.

Question:

Is the Shire prepared to ensure continued investment and certainty in the productive and viable horticulture sector in Rural Ag 2 by:

- Strengthening the TPS so that it is consistent with state planning policy 2012 and by;
- Precluding non-rural land uses that impact negatively on viability?

Answer:

State Planning Policies are prepared by the Western Australian Planning Commission and provide policy guidance for a range of key planning issues across the State of Western Australia. Local governments must have due regard for State Planning policies when preparing planning strategies and when making decisions on planning matters.

It is acknowledged that State Planning Policy 2.5 has been reviewed since the gazettal of Amendment 18 into Town Planning Scheme No. 7 (TPS 7) in February 2010, therefore the changes to this policy will be considered as part of the review and preparation of the both the Strategy and Scheme.

The Shire is currently in the process of reviewing the existing Local Planning Strategy and is also preparing a new Local Planning Scheme, which will consolidate the two existing Town Planning Schemes and incorporate the remainder of the Shire. This Local Planning Scheme is a tool to implement the Local Planning Strategy, will need to be reviewed in light of the outcomes and key recommendations of the Strategy review, and must also have due regard to State Planning Policies.

The Shire has engaged GHD to prepare the draft Local Planning Strategy to be adopted by Council for formal advertising in the near future. This document prioritises the identification and mapping of areas of Prime Agricultural Land (PAL) within the Shire. A strategic response to this matter is to:

Protect priority agricultural land from inappropriate land uses

The draft Strategy also proposes that areas identified as potential PAL surrounding Kununurra should be identified in the Scheme for agricultural purposes, with scheme provisions and local planning policy prepared to prevent encroachment or expansion of inappropriate land uses, including tourism expansion. Key recommendations of this draft Strategy include:

- Department of Agriculture and Food and Department of Planning to undertake detailed investigations to confirm distribution of Priority Agricultural Land.
- Local Planning Scheme to identify land shown on the strategic land use plan as potential Priority Agricultural Land for appropriate agricultural purposes.
- Local Planning Scheme provisions and/or local planning policy to be prepared to prevent encroachment or expansion of inappropriate uses within Priority Agricultural Land.

The draft Local Planning Strategy and Local Planning Scheme will be advertised and together in the coming months, during which time the general public will have the opportunity to view both documents and make submissions.

6. APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7. PETITIONS

Nil

8. CONFIRMATION OF MINUTES

8.1. CONFIRMATION OF MINUTES OF ORDINARY COUNCIL MEETING OF 25 FEBRUARY 2014

RECOMMENDATION

That Council confirms the Minutes of the Ordinary Council Meeting held on 25 February 2014

COUNCIL DECISION

Minute No. 10347

**Moved: Cr K Wright
Seconded: Cr B Robinson**

That Council confirms the Minutes of the Ordinary Council Meeting held on 25 February 2014

Carried Unanimously 9/0

8.2. CONFIRMATION OF MINUTES OF SPECIAL COUNCIL MEETING OF 4 MARCH 2014

RECOMMENDATION

That Council confirms the Minutes of the Special Council Meeting held on 4 March 2014

COUNCIL DECISION

Minute No. 10348

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

That Council confirms the Minutes of the Special Council Meeting held on 4 March 2014

Carried Unanimously 9/0

8.3. CONFIRMATION OF MINUTES OF SPECIAL COUNCIL MEETING OF 18 MARCH 2014

RECOMMENDATION

That Council confirms the Minutes of the Special Council Meeting held on 18 March 2014

COUNCIL DECISION

Minute No. 10349

Moved: Cr D Learbuch

Seconded: Cr G King

That Council confirms the Minutes of the Special Council Meeting held on 18 March 2014

Carried Unanimously 9/0

9. ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION

Nil

10. MATTERS FOR WHICH THE MEETING MAY BE CLOSED

Nil

11. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS / NOTICES OF MOTIONS

Nil

12. MINUTES OF COUNCIL COMMITTEE MEETINGS

12.1 MINUTES OF THE AUDIT (FINANCE AND RISK) COMMITTEE MEETING OF 24 FEBRUARY 2014

RECOMMENDATION

That Council confirms the Minutes of the Audit (Finance and Risk) Committee Meeting held on 24 February 2014

COUNCIL DECISION

Minute No. 10350

Moved: Cr K Wright

Seconded: Cr B Robinson

**That Council confirms the Minutes of the Audit (Finance and Risk)
Committee Meeting held on 24 February 2014**



Minutes of Audit (Finance and Risk) Committee Meeting

24 February 2014

I hereby certify that the Minutes of the Audit (Finance and Risk) Committee meeting held on 24 February 2014 are a true and accurate record of the proceedings contained therein.

Chairperson Confirmed

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1. DECLARATION OF OPENING

The Chairperson declared the meeting open at 12:01pm.

2. RECORD OF ATTENDANCE / APOLOGIES

ATTENDANCE

Cr K Wright	Councillor (Chairperson)
Cr B Robinson	Councillor
Cr D Spackman	Councillor
Natalie Octoman	Director Corporate Services
Sharmayne Halliday	Governance Officer (Minute Taker)

APOLOGIES

Cr J Moulden	Shire President
G Gaffney	Chief Executive Officer

LEAVE OF ABSENCE PREVIOUSLY APPROVED

Nil

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.

COMMITTEE RESOLUTION

Minute: AC286

Moved: Cr D Spackman
Seconded: Cr B Robinson

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.

Carried Unanimously 3/0

5. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS / NOTICES OF MOTIONS

David Tomasi, UHY 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

DATE:	11 February 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	N/A
AUTHOR:	Asanka Jayakody, Accountant
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	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
Total	\$6,501,992

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.

COMMITTEE RESOLUTION

Minute: AC287

Moved: Cr B Robinson

Seconded: Cr D Spackman

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.**

Carried Unanimously 3/0

**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 \$
Revenue				
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>
		27,954,569	19,175,381	23,221,534
Expenses				
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>
		(22,986,949)	(22,587,063)	(22,905,183)
		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>
Net Result		8,116,591	2,606,439	8,565,936
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	808,168	0	0
Total Other Comprehensive Income		<u>808,168</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<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 \$
Revenue				
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>
Expenses				
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>
Finance Costs				
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>
Non-Operating Grants, Subsidies and Contributions				
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>
Profit/(Loss) on Disposal of Assets				
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>
Net Result		<u>8,116,591</u>	<u>2,606,439</u>	<u>8,776,039</u>
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	808,168	0	0
Total Other Comprehensive Income		<u>808,168</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u>8,924,759</u>	<u>2,606,439</u>	<u>8,776,039</u>

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 \$
CURRENT ASSETS			
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
TOTAL CURRENT ASSETS		14,345,669	16,892,118
NON-CURRENT ASSETS			
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
TOTAL NON-CURRENT ASSETS		95,728,679	81,218,844
TOTAL ASSETS		110,074,348	98,110,962
CURRENT LIABILITIES			
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
TOTAL CURRENT LIABILITIES		2,893,960	3,277,455
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	5,267,401	1,849,615
Provisions	10	100,990	96,654
TOTAL NON-CURRENT LIABILITIES		5,368,391	1,946,269
TOTAL LIABILITIES		8,262,351	5,223,724
NET ASSETS		101,811,997	92,887,238
EQUITY			
Retained Surplus		93,715,426	86,418,783
Reserves - Cash Backed	11	7,288,403	6,468,455
Revaluation Surplus	12	808,168	0
TOTAL EQUITY		101,811,997	92,887,238

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

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 \$
Cash Flows From Operating Activities				
Receipts				
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>
Payments				
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>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>3,517,226</u>	<u>2,325,097</u>	<u>5,045,681</u>
Cash Flows from Investing Activities				
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
Net Cash Provided By (Used In) Investing Activities		<u>(8,327,531)</u>	<u>(12,618,103)</u>	<u>(4,766,648)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(352,993)	(352,066)	(1,114,499)
Proceeds from New Debentures		4,000,000	4,400,000	0
Net Cash Provided By (Used In) Financing Activities		<u>3,647,007</u>	<u>4,047,934</u>	<u>(1,114,499)</u>
Net Increase (Decrease) in Cash Held		<u>(1,163,298)</u>	<u>(6,245,072)</u>	<u>(835,466)</u>
Cash at Beginning of Year		13,713,854	13,713,953	14,549,320
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>12,550,556</u></u>	<u><u>7,468,881</u></u>	<u><u>13,713,854</u></u>

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

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

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
Revenue				
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>
Expenses				
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>
Net Result Excluding Rates		1,109,835	(4,517,711)	2,148,037
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
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
Capital Expenditure and Revenue				
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
Total Amount Raised from General Rate	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.

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24 February 2014

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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**

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 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(p) 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.

Title and Topic	Issued	Applicable (*)	Impact
(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	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).
[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)			

**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

2. REVENUE AND EXPENSES	2013	2012
	\$	\$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Significant Expense		
Other Property and Services	111,314	0
The significant expenses relates to the reduction in the fair value of the Shire's furniture and equipment		
Auditors Remuneration		
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	5,067	5,963
	<u>41,061</u>	<u>34,613</u>
Depreciation		
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	569,968	312,225
	<u>4,166,478</u>	<u>3,327,925</u>
Interest Expenses (Finance Costs)		
Finance Lease Charges	228,970	210,103
Debentures (<i>refer Note 21(a)</i>)	205,193	184,921
	<u>434,163</u>	<u>395,024</u>
(ii) Crediting as Revenue:		
	2013	2013
	\$	Budget
		\$
Interest Earnings		
Investments		
- Reserve Funds	324,748	300,000
- Other Funds	271,211	92,800
Other Interest Revenue (<i>refer note 26</i>)	123,631	100,000
	<u>719,590</u>	<u>492,800</u>
Significant Revenue		
Initial Recognition of Assets due to		
Change to Regulations		
Recreation and Culture	6,501,992	0
	<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

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Closing Balance (*) 30-Jun-12 \$	Received (+) 2012/13 \$	Expended (#) 2012/13 \$	Closing Balance 30-Jun-13 \$
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)

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

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
	\$	\$
3. CASH AND CASH EQUIVALENTS		
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>
4. TRADE AND OTHER RECEIVABLES		
Current		
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>
Non-Current		
Rates Outstanding - Pensioners	10,320	9,356
	<u>10,320</u>	<u>9,356</u>
5. INVENTORIES		
Current		
Fuel and Materials	8,720	8,338
Leisure Centre Stock	1,886	3,528
	<u>10,606</u>	<u>11,866</u>
Non-Current		
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**

	2013	2012
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
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	7,252,638	2,046,119
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	29,550,608	24,480,072
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:

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

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

	2013	2012
	\$	\$
7. INFRASTRUCTURE		
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
FOR THE YEAR ENDED 30TH JUNE 2013**

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.

	Roads \$	Footpaths \$	Drainage \$	Bridges \$	Airport	Other Infrastructure	Work in Progress	Total \$
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
Carrying amount at the end of year	33,062,352	988,295	922,891	258,818	3,722,942	13,795,685	801,771	53,552,754

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

	2013 \$	2012 \$
8. TRADE AND OTHER PAYABLES		
Current		
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>

9. LONG-TERM BORROWINGS

Current

Secured by Floating Charge
Debentures

478,397	249,176
<u>478,397</u>	<u>249,176</u>

Non-Current

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 *Note 21*.

10. PROVISIONS

Analysis of Total Provisions

Current

Provision for Annual Leave
Provision for RDO
Provision for Long Service Leave

600,978	610,059
107,250	75,914
352,415	375,678
<u>1,060,643</u>	<u>1,061,651</u>

Non-Current

Provision for Long Service Leave

100,990	96,654
<u>100,990</u>	<u>96,654</u>

Total

<u>1,161,633</u>	<u>1,158,305</u>
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	Provision for RDO \$	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
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
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED			
(a) Waste Management			
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) Airport General			
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>
(c) Plant and Equipment			
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>
(d) Leisure Centre			
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>
(e) Parking			
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>
(f) Non-Potable Water			
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>
(g) Civic Buildings			
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>
(h) East Kimberley Tourism			
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
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

11. RESERVES - CASH BACKED (Continued)	2013 \$	2013 Budget \$	2012 \$
(i) Foreshore Reservation			
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>
(j) Staff Entitlement			
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>
(k) Staff Housing			
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>
(l) Recreation Hardcourts			
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>
(m) Bio Security			
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>
(n) Childcare			
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>
(o) Parks			
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>
(p) Developer Contributions - Egret Close			
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
FOR THE YEAR ENDED 30TH JUNE 2013

11. RESERVES - CASH BACKED (Continued)	2013	2013	2012
	\$	Budget	\$
(q) Legal Fees			
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>
(r) Youth Bus			
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>
(s) Footpaths			
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>
TOTAL CASH BACKED RESERVES	<u><u>7,288,403</u></u>	<u><u>6,585,580</u></u>	<u><u>6,468,455</u></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) Plant and Equipment		
Opening Balance	0	0
Revaluation Increment	808,168	0
Revaluation Decrement	0	0
	<u>808,168</u>	<u>0</u>
 TOTAL ASSET REVALUATION RESERVES	 <u><u>808,168</u></u>	 <u><u>0</u></u>

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

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

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)
Total Amount of Credit Unused	<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
Total Facilities in Use at Balance Date	<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.

	2013	2012
	\$	\$
15. CAPITAL AND LEASING COMMITMENTS		
(a) Finance Lease Commitments		
The Shire of Wyndham-East Kimberley has no significant or material finance leasing commitments for the year ended 30 June 2013.		
(b) Operating Lease Commitments		
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>
(c) Capital Expenditure Commitments		
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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FOR THE YEAR ENDED 30TH JUNE 2013**

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

	2013	2012
	\$	\$
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
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

	2013	2012	2011
18. FINANCIAL RATIOS			
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:

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

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

19. TRUST FUNDS

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

	Balance 1-Jul-12 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-13 \$
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
	2,335,823	348,545	(2,135,196)	549,172

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

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 \$
Law, Order, Public Safety						
Land Held for Re-sale - Ivanhoe Shed Site	0	70,000	0	250,000	0	180,000
Housing						
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
Other Property and Services						
<u>Light Plant</u>						
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
<u>Heavy Plant</u>						
P350 - 2008 Caterpillar 924G Loader	156,508	168,854	125,000	109,091	(31,508)	(59,763)
<u>Information Services</u>						
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
Transport						
<u>Airport Plant</u>						
P355 -Kubota Tractor (iv)	30,489	0	0	0	(30,489)	0
P369 - Holden Commodore	0	11,351	0	12,000	0	649
Recreation and Culture						
Kununurra Leisure Centre (v)	7,852	0	0	0	(7,852)	0
	310,225	422,670	268,551	1,298,991	(41,674)	876,321

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
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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 \$
Governance								
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
Education and Welfare								
L120 Kununurra Childcare Centre	455,034	0	49,343	49,343	405,691	405,691	26,719	26,719
Housing								
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		
Recreation and Culture								
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
Community Amenities								
New Loan - Liquid Waste Facility	0	0	0	0	0	400,000	0	2,333
	2,098,791	4,000,000	352,993	352,067	5,745,798	6,146,723	205,193	213,263

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
	4,000,000	4,400,000						3,778,343	4,297,108	221,657

(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

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budgeted Rate Revenue \$	Budgeted Interim Rates \$	Budgeted Back Rates \$	Budgeted Total Revenue \$
Differential General Rate											
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
Sub-Totals		2,174	296,703,971	6,809,062	186	4,794	6,814,042	6,840,830	25,000	0	6,865,830
Minimum Rates	Minimum \$										
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
Sub-Totals		451	3,707,152	446,225	0	0	446,224	447,150	0	0	447,150
Ex Gratia Rates							7,260,266				7,312,980
							4,159				4,000
							7,264,425				7,316,980
Discounts							(199,802)				(165,000)
Excess Rates							(57,867)				(27,830)
Total Amount Raised from General Rate							7,006,756				7,124,150

**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	2013 (30 June 2013 Carried Forward) \$	2013 (1 July 2012 Brought Forward) \$	2012 (30 June 2012 Carried Forward) \$
Surplus/(Deficit)	<u>5,702,346</u>	<u>8,457,035</u>	<u>8,457,035</u>
<u>Comprises:</u>			
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
<u>Less:</u>			
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
Surplus/(Deficit)	<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.

27. FEES & CHARGES	2013 \$	2012 \$
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:

	2013	2012
	\$	\$
By Nature and Type:		
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>
By Program:		
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

	2013	2013	2012
	\$	Budget	\$
		\$	

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

2013	2012
<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:

	Carrying Value		Fair Value	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets				
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>
Financial Liabilities				
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.

	2013	2012
	\$	\$
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:

	2013	2012
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:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2013</u>					
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>
<u>2012</u>					
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:

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

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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

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

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

COMMITTEE RESOLUTION

Minute: AC288

Moved: Cr B Robinson

Seconded: Cr D Spackman

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

Carried Unanimously 3/0



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.

Commercial Enterprises by Local Governments					
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



Delegation of Power / Duty						
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	

Disclosure of Interest						
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



Local Government Employees					
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

Official Conduct

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



Tenders for Providing Goods and Services

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

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

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.

COMMITTEE RESOLUTION

Minute: AC289

Moved: Cr B Robinson

Seconded: Cr D Spackman

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.**

Carried Unanimously 3/0

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

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

POLICY ADMINISTRATION

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



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

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

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

Statutory Compliance	<i>Local Government Act 1995</i> <i>Local Government (Audit) Regulations 1996</i>
Industry Compliance	<i>Australian Accounting Standards</i> <i>Audit Standards</i>
Organisational Compliance	<i>Not Applicable</i>
Process Links	<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

Directorate		Officer Title		Contact:	
<i>Corporate Services</i>		<i>Director Corporate Services</i>		Ext: 121	
Date Effective	11/02/2014	CEO Approved			
Date Adopted	11/02/2014	Last Reviewed		11/02/2014	
Risk Rating	Low Medium High	Review Cycle	Annual	Next Due	11/02/15
Organisational Compliance		<i>Not Applicable</i>			
Process Links		<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

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

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.

COMMITTEE RESOLUTION

Minute: AC290

Moved: Cr B Robinson

Seconded: Cr D Spackman

That the Committee:

- 4) Endorses the proposed Corporate Governance (Finance and Risk) Project Plan to 31 December 2014;**
- 5) Recommends to Council that it adopt the Corporate Governance (Finance and Risk) Project Plan of the Audit (Finance and Risk) Committee for 2014;**
- 6) Recommends to Council that it support the Committee, and the administration in its development.**

Carried Unanimously 3/0

CORPORATE GOVERNANCE (FINANCE AND RISK) PROJECT PLAN 2014												
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
TERMS OF REFERENCE FOR COMMITTEE												
POLICY CREATION AND REVIEW												
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												
STRATEGY DEVELOPMENT												
Rating Strategy - In Conjunction with Council												
Debt Strategy												
Asset Management Strategy												
BUDGET REVIEWS												
1st Quarter Budget Review												
2nd Quarter Budget Review												
3rd Quarter Budget Review												
COMPLIANCE AUDIT RETURN												
ANNUAL FINANCIAL STATEMENTS												
CEO'S BIENNIAL REVIEW OF SYSTEMS & PROCEDURES												
Risk Management												
Internal Control												
Legislative Compliance												
KEY PERFORMANCE INDICATORS												
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

DATE:	11 February 2013
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	N/A
AUTHOR:	Felicity Heading, Senior Finance Officer
REPORTING OFFICER:	Asanka Jayakody, Accountant
FILE NO:	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.

Motion

Cr B Robinson moved that the Committee recommends to Council that it adopts the attached amended Council Investment Policy, CP FIN-3203 with the following amendment – to remove the paragraph “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” under the heading Counterparty Credit Framework – to ensure statutory compliance.

COMMITTEE RESOLUTION

Minute: AC291

Moved: Cr B Robinson

Seconded: Cr D Spackman

That the Committee recommends to Council that it adopts the attached amended Council Investment Policy, CP FIN-3203 with the following amendment – to remove the paragraph “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” under the heading Counterparty Credit Framework – to ensure statutory compliance.

Carried Unanimously 3/0



Shire of Wyndham East Kimberley
Council Policy
F17

POLICY No:	F17
DIVISION	Finance
SUBJECT:	Investment Policy
REPORTING OFFICER	Executive Manager of Corporate Services

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:

- 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 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%
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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	
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Note: Authorised Deposit Institutions are corporations that are authorised under the Banking Act 1959 to take deposits from customers.

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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.

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)

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

Statutory Compliance	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
Industry Compliance	Australian Accounting Standards
Organisational Compliance	Delegations and Sub-Delegations Manual
Process Links	Investments

POLICY ADMINISTRATION

Directorate		Officer Title		Contact:	
Corporate Services		Director Corporate Services		Ext: 121	
Date Effective	DD/MM/YYYY	CEO Approved:			
Date Adopted	DD/MM/YYYY	Last Reviewed		DD/MM/YYYY	
Risk Rating	Low Medium High	Review Cycle	Annual	Next Due	MM/YYYY
Organisational Compliance		Delegations and Sub-Delegations Manual			
Process Links		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

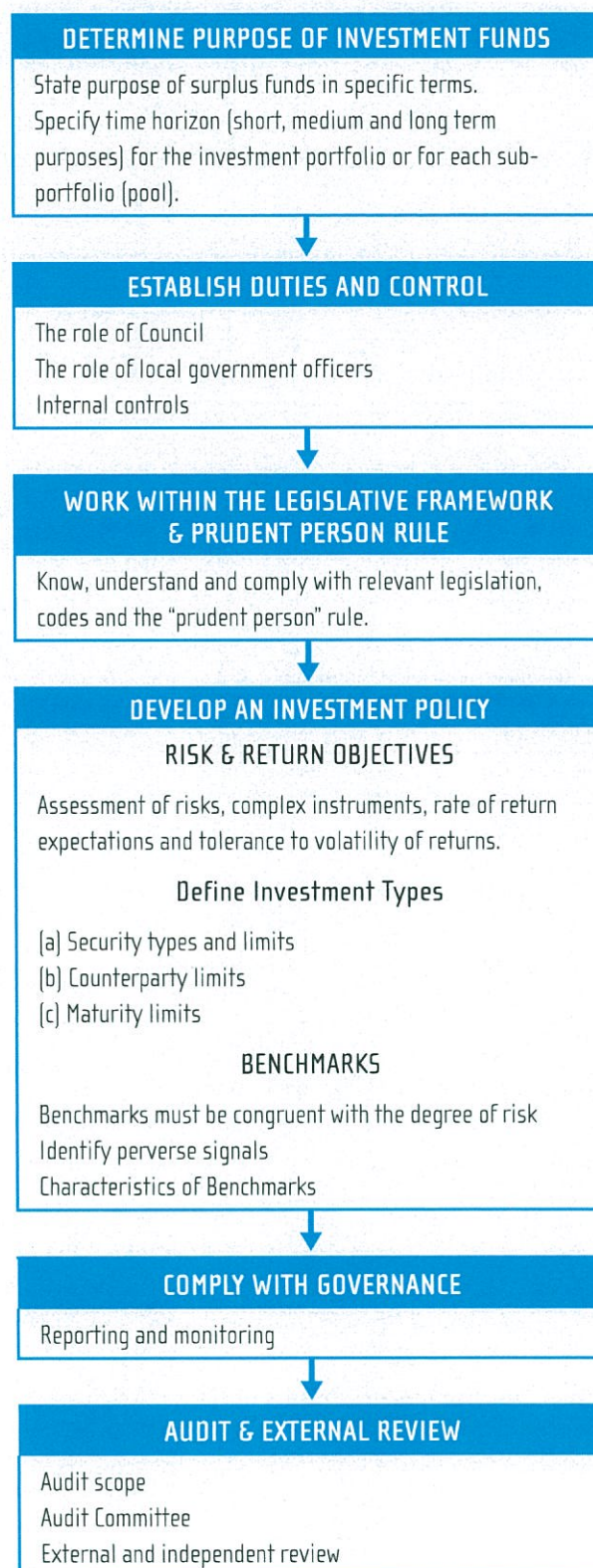
Executive Summary

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 profile¹, give guidance to the liquidity requirements and also provide direction to the selection of appropriate investment instruments for each investment pool.

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.

¹ 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.

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 summary² 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) – (a)³ 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.

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.

² See section 6.1 Reporting

³ See Appendix E -Section 20 (1) *Trustees Act 1962*

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 aversion⁴, 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 speculative⁵ 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.

⁴ Risk aversion is the willingness to forgo possible higher returns in exchange for a lower risk.

⁵ 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 (ADIs⁶) 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 own⁷. 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.

⁶ Authorised Deposit-Taking Institutions (ADI) – corporations that are authorised under the *Banking Act 1959* to take deposits from customers.

⁷ 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.

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 follows⁸:
- 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, of⁹:

- 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.

⁸ AIMR Benchmark and Performance Attribution Subcommittee Report, 1998

⁹ 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 duties¹⁰ 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 outlined¹¹.
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 counterparty¹²;
 - 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.

¹⁰ See Section 3 Duties and Controls.

¹¹ See Section 4 Legislative Framework

¹² 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 risks¹³ 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.¹⁴

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.

¹³ While some common risks are defined in the Glossary to this guideline, this list is not exhaustive.

¹⁴ 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 stress¹⁵.

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 formulae¹⁶, 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 option¹⁷.

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.¹⁸ 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.

¹⁵ 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).

¹⁶ While perhaps not readily apparent, embedded formulae will significantly alter the risk.

¹⁷ 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.

¹⁸ 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 security¹⁹. 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.

¹⁹ 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 Markets²⁰ the only price available may be from the counterparty that sold the instrument in the first place.

²⁰ 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	
ADI issued	S&P Ratings
Security 1	AA-
Security 2	AAA+
Security 3	AA+
Security 4	AAA
Non – ADI Issued	
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	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit Price	Unit 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Withdrawals (Current Month)

0

NOTE: Market Value is a mid range estimate and might not represent actual value

Monthly Movement Gain / (Loss)

35,479

Investment Summary





Department of Local Government
and Regional Development
Government of Western Australia

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

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

DATE:	11 February 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	N/A
AUTHOR:	Paul Tily, Finance Officer
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	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 – 3rd 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
Total		462,568	329,579	219,916	-	1,012,081

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
Total		17,800	10,340	101,089	103,887	233,116

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.

COMMITTEE RESOLUTION

Minute: AC292

Moved: Cr B Robinson

Seconded: Cr D Spackman

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.**

Carried Unanimously 3/0

6.7 RATES DEBTORS

DATE:	11 February 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	N/A
AUTHOR:	Shelley Binnie, Finance Officer Rates
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	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

Rates & Services Levied 2013/2014 (including arrears)	Rates & Services Debt at 28 January 2014	Overdue at 28 January 2014
\$ 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.

COMMITTEE RESOLUTION

Minute: AC293

Moved: Cr B Robinson

Seconded: Cr D Spackman

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.

Carried Unanimously 3/0

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

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

COMMITTEE RESOLUTION

Minute: AC294

Moved: Cr B Robinson

Seconded: Cr D Spackman

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, 13 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*.**

Reason: The Committee believes that it would be beneficial for all Elected Members to be involved in the budget review discussions, and therefore the Committee would not need to meet separately on these occasions (4 March 2014 and 27 May 2014) to consider the budget review documents and associated recommendations.

Carried Unanimously 3/0

7. DATE OF NEXT MEETING

13 May 2014

8. CLOSURE

13. REPORTS

13.1 MATTERS ARISING FROM COMMITTEES OF COUNCIL

Nil

Motion

Cr J Moulden moved that Council bring forward agenda Item 13.4.5 Development Application for 3 Chalets at Lot 530 River Farm Road, Kununurra to be the next item of business. *(please note, this item appears as 13.2 in the minutes)*

COUNCIL DECISION

Minute No. 10351

Moved: Cr B Robinson

Seconded: Cr S Cooke

That Council bring forward agenda item 13.4.5 Development Application for 3 Chalets at Lot 530 River Farm Road, Kununurra (item 13.2 in the minutes) to be the next item of business.

Carried Unanimously 9/0

5.15pm Cr G Taylor leaves the meeting due to proximity interest with item 13.2 Development Application for 3 Chalets at Lot 530 River Farm Road, Kununurra.

13.2 Development Application for 3 Chalets at Lot 530 River Farm Road, Kununurra

DATE:	25 March 2014
PROPONENT:	Rob Storey and Vicky Biorac
LOCATION:	Lot 530 River Farm Road, Kununurra
AUTHOR:	Elle Davidson, Planning Officer
REPORTING OFFICER:	Wayne Richards, Acting Director Community Development
FILE NO:	A118P

PURPOSE

For Council to consider a development application for 3 Chalets at Lot 530 River Farm Road, Kununurra.

BACKGROUND

An application for planning approval was lodged on 19 December 2013 by Rob Storey and Vicky Biorac for the development of 3 Chalets at Lot 530 River Farm Road, Kununurra.

The property is located on the northern side of River Farm Road and has an area of 8.7 ha. The land is zoned Rural Agriculture 2 under *Town Planning Scheme No. 7 – Kununurra and Environs (TPS 7)*. Surrounding land uses comprise of agriculturally farmed properties and a café/gallery adjacent to the property on the western side.

The property contains approximately 3ha of mango crops, a single dwelling, three sheds and a dam. One of the sheds, originally approved as a nursery is currently used as unapproved accommodation, where a transportable unit has been placed within an existing shed. The applicant is aware that the continued use of this accommodation unit is not permissible and will return the use of the building to a shed, as outlined in attachment 1.



Location of Property

Proposal

The applicant proposes to construct 3 Chalets for the purpose of tourist accommodation. A chalet is defined as the following under *TPS7*:

Means an individual self-contained unit usually comprising cooking facilities, en-suite, living area, and one or more bedrooms designed to accommodate short-stay guests, forming part of a tourism facility and where occupation by any person is limited to a maximum of three (3) months in any twelve (12) month period.

Each chalet will measure 24m x 14m, which includes a verandah around three sides of the building and a carport. Two bedrooms, a kitchen, bathroom, laundry and living area will feature in each chalet. The applicant proposes to separate each chalet by 34-36m to ensure some privacy for the guests. Each chalet will be setback 40m from the adjoining properties and landscaping will be installed to visually screen the proposed buildings from the neighbouring lots. A second driveway will be formalised on the north western boundary to access the proposed chalets.

The applicants propose to build the chalets to further diversify their agricultural property and generate additional tourist facilities within Kununurra. They propose to manage the potential land use conflicts by a range of methods outlined in the development submission, see attachment 1. This management plan was developed in conjunction with Noel Wilson, Department of Agriculture and Food Western Australia (DAFWA).

STATUTORY IMPLICATIONS

Town Planning Scheme No. 7 – Kununurra and Environs (TPS7)

The land at Lot 530 River Farm Road is zoned Rural Agriculture 2 under *TPS7*. The objectives of this zone are:

- a) To ensure the adequate supply of land for intensive agricultural and horticultural holdings in localities of adequate water supply and suitable soil types;*
- b) To promote the use of these lots for the production of horticultural crops and associated uses.*

Amendment 18 of *TPS7* was originally brought before Council on 15 August 2006 and proposed to incorporate recommendations of the Local Planning Strategy that identified a need to diversify uses within agricultural zones. This recommendation was based on the awareness that farmers were seeking to supplement incomes to ensure the viability of the principal agricultural land use. It was acknowledged that the introduction of other uses in Rural Agricultural zones may cause concerns due to the sensitive nature of the localities. However, appropriate development controls could be implemented and therefore the introduction of subordinate land uses could be managed suitably. The following section was gazetted into *TPS7* on 19 February 2010:

5.22.2 Other Incidental uses

Council may permit the development and use of the land for the following uses:

*Art and Craft Centre
Art Gallery*

*Bed and Breakfast
Cabin
Chalet
Farm Stay
Plant Nursery
Wayside Stall, provided that:*

- (a) The applicant submit a management plan addressing how potential conflicts, impacts and compatibility with existing and potential agricultural land uses – both internal and external to the site – are to be managed as per the requirements of SPP2.5, and including but not limited to the following:
 - i. Prior to construction of any units, the applicant shall submit a management plan developed in consultation with the Department of Agriculture and Food Western Australia and other relevant agencies or stakeholders, detailing measures to manage the following impacts:
 - a. Dust and noise;*
 - b. Visual amenity; and*
 - c. Biosecurity**
 - ii. Prior to construction, all promotional information intended to be displayed shall be submitted to Council for approval;*
 - iii. Prior to occupation, relevant officers shall inspect accommodation to ensure biosecurity information is displayed in a prominent place; and*
 - iv. Prior to occupation, relevant officers shall inspect the procedures to ensure that all workers are made aware of the biosecurity issues and preventative measure prior to take residence with the accommodation.**
- (b) The proponent submit an Agriculture Impact Statement, in accordance with the information prescribed in State Planning Policy 2.5 (SPP2.5);*
- (c) The proposed development remains as a subordinate use in scale, scope and intensity to the predominant agricultural nature of the site;*
- (d) The proposed development is advertised;*
- (e) A maximum of three (3) accommodation units is permitted on lots in the Rural Agricultural Zone 1, Rural Agricultural Zone 2 and the General Agricultural Zone;*
- (f) All accommodation units shall:
 - i. Be separated from the nearest residential building on an adjacent property by a minimum of 70 metres; and*
 - ii. Comply with the setback provisions in the Scheme;*
 - iii. Have screening vegetation planted and maintained to shield the neighbouring property from accommodation units.**

Under the Zoning Table in *TPS7*, a chalet is IP, meaning a use that is not permitted unless such use is incidental to the predominant use of the land as determined by the Council.

State Planning Policy 2.5 – Land Use Planning in Rural Areas

The objective of this policy, which was amended in May 2012, is to protect rural land from incompatible uses, promote regional development by providing opportunities on rural land and to minimise land use conflicts. High quality agricultural land is to be identified as priority agricultural land, subject to consultation and refinement at a local level. Section 5.3 of *SPP2.5* recognises that there is a need to promote rural zones as highly flexible zones that cater for a wide range of rural land uses that can support primary production and value adding, small-scale tourism, environmental protection and biodiversity conservation. Section 5.8 of *SPP2.5* lists the following management tools for land use conflicts:

- a) *the introduction of land uses that may constrain existing or potential rural land uses will generally not be supported;*
- b) *existing and future land use conflicts are understood and demonstrated in strategies and schemes as appropriate*

POLICY IMPLICATIONS

No policy implications apply in the preparation of this report.

FINANCIAL IMPLICATIONS

No financial implications apply in the preparation of this report.

STRATEGIC IMPLICATIONS

Local Planning Strategy 2006

Under the *Local Planning Strategy (LPS)* it has been identified that the retention of Prime Agricultural Land (PAL) is important, however it is further acknowledged that increasing pressure to accommodate other land uses is evident. Section 4.5.6 outlines planning implications for the economy and employment:

Land that is identified as prime agricultural land needs to be protected from competing land use. The functionality and longevity of key industries such as agriculture and mining, as well as the encouragement of newer, burgeoning markets in tourism, need to be assured within the Shire.

It is also identified, in section 5.10.1.1 of the *LPS*, that in some circumstances diversification of uses within the Agricultural zones is necessary to further supplement farmer's incomes:

Diversification of lands uses in agricultural zones is generally not supported due to the potential loss of productive PAL, the impact on management and operational practices and the potential externalisation of these impacts. However, where farmers and producers are seeking to supplement incomes to ensure viability of the principal agricultural land use, there is some scope for allowing subordinate land uses only, or uses that are wholly incidental or dependant on the principal agricultural use of land.

When specifically addressing the diversification of Rural Agriculture 1 & 2 zones, the *LPS* acknowledges that these zones are more sensitive to the intrusion of other land uses and they are a finite and infrastructure intensive resource. A number of factors including the use of machinery, operational hours and chemicals may be incompatible with the introduction of other uses.

It is however identified that there is some capacity, with appropriate development controls, to introduce some subordinate land uses to diversify the income of farmers and ensure their economic viability. Typical scheme land use and development controls appropriate for these zones to ensure that uses remain subordinate include:

- *Limit accommodation to low key uses such as bed and breakfast or farm stay*
- *Control accommodation numbers via Scheme provisions (One accommodation unit or bedroom in Rural Agriculture 1 zone, Two accommodation units or bedrooms in Rural Ag 2 zone)*
- *Limit uses to those that are subordinate to agricultural uses to ensure that principal use of the site remains agriculture in subsequent Scheme*

The key summary points of the LPS that relate to this application are as follows:

- *Land that is considered PAL should not be developed for anything that may prejudice its continued use for these purposes. Consultation in relation to the identification of PAL will be conducted in conjunction with the Department of Agriculture.*
- *Other uses may be permitted within these areas provided that they are subordinate to, are incidental to, or relate to the predominant agricultural use of the land. These uses must not have a detrimental impact on the operations of or threaten the productivity of agricultural land use and development in the locality. Assessment would need to include consideration of access, scale, buffer distances and issues of sustainability, and any other relevant factors.*
- *Ensure diversified uses are not permitted unless subordinate to principal agricultural uses, and are not permitted unless there is a clear benefit to providing viability to a site under existing cultivation.*

Draft Local Planning Strategy 2014

The Shire has engaged GHD to review the existing planning strategy and have developed a draft to be advertised in the near future. This document prioritises the identification and mapping of areas of PAL within the Shire. A strategic response to this matter is to:

Protect priority agricultural land from inappropriate land uses.

COMMUNITY CONSULTATION

As required under Amendment 18 of the TPS7 the application was advertised between 16 January 2014 – 6 February 2014 by sending notification advising of the proposal to all residents on River Farm Road and the property adjoining at the rear (28 notifications in total). The Shire received one submission in support of the application (River Farm Road resident), one submission that was indifferent and 5 submissions opposing the proposal (5 River Farm Road residents and 1 external parties).

A response to the summary of submissions has been provided by the applicant and can be found in the attachments. The responses found in the table below have been prepared by Shire Officers.

Submission	Response
Preservation of Prime Agricultural Land is identified as an important land use strategy for the Shire.	Shire Officers acknowledge that PAL is to be preserved where possible. It is also recognised that subordinate uses can supplement the primary income of a farm to ensure the agricultural viability into the future.
Appropriate responses to biosecurity risks have not been proposed by the applicant. Biosecurity concerns with the introduction of tourist development within the Rural Agriculture 2 zone.	Noel Wilson of Department of Agriculture and Food WA (DAFWA) has provided advice in relation to the management of biosecurity. He has confirmed that significant risks are associated with tourism developments in agricultural areas and would compromise adjacent properties.
Two separate detections of the Mediterranean fruit fly have been uncovered at different caravan parks.	The DAFWA have released information that confirms that two outbreaks have occurred within the Shire and both have been within caravan parks.
Lack of an appropriate buffer between the proposed tourist facility and existing crops.	Although the proposal complies with the setback requirements outlined in <i>TPS7</i> , DAFWA has advised that minimum setback distances would normally require a minimum of 500m. This is to ensure that sensitive land uses are protected effectively.
Land use conflicts associated with the introduction of tourism facilities have not been adequately addressed. Further, approval of the proposed tourist development may have a future effect on the viability of future agricultural land within the area.	There are existing tourism facilities within Rural Agriculture 1 and Rural Agriculture 2 zones, however these developments occurred before the gazettal of Amendment 18 and therefore have non-conforming use rights. The impacts of the proposed development upon adjoining properties lacks detail and it is acknowledged that the future viability of agricultural land within the locality may be compromised by the introduction of additional tourist facilities.
Noise, dust, spraying of chemicals and loud bird fright noises are not compatible with tourism uses and therefore would impact the future operations of the agricultural activities.	Agricultural pursuits within this area would take precedent over any incidental development. It is acknowledged within the <i>LPS</i> that agricultural properties are highly sensitive land uses and the introduction of additional uses would need to be managed appropriately.
Management plans provided by the applicant may not be complied with into the future and therefore create an opportunity for negative impacts of the development to be introduced.	Compliance and monitoring of the proposed management plan would pose difficulty for the Shire and DAFWA as ensuring the management measures are implemented would require continuous scrutiny. Although the proposed methods of addressing biosecurity are reasonable, it is difficult to foresee how they might be effectively monitored on a daily basis. It is further noted that one mistake or oversight could have lasting and widespread impacts for the agricultural production within the Shire.

Lack of risk analysis or adequate management plan is concerning due to the amount of potential risks associated with the proposal.	DAFWA has concluded that in approving any tourist accommodation within a Rural Agricultural zone risk of compromised biosecurity are increased. Although the applicant has provided some measure of biosecurity management, DAFWA has outlined that these risks cannot be mitigated appropriately.
Access and proposed dust suppression is not clearly defined.	From the proposed site plan it is unclear which access will be utilised by the guests, however the applicant has noted that the driveway on the western boundary will be utilised by guests. The proposed speed limit restrictions do not completely address dust suppression.
No promotional material or details of biosecurity information to be provided to guests.	A draft copy of the promotional material has since been provided by the applicant.
It is not demonstrated how the proposal will be subordinate to the predominant agricultural nature of the site. Appears that less than half the block features crops.	Information provided by the applicant does not clearly demonstrate that the use is in fact subordinate to the predominant use being for agricultural purposes.
Details of the proposed number and type of trees to be planted for screening purposes. Screening to the eastern boundary is required.	The applicant has provided an amended site plan that proposes screening to the eastern boundary and has detailed that mango trees are proposed for screening.
A legally binding document should be prepared acknowledging the activities that occur in an agricultural production area.	This would be a requirement of approving this application as it would protect the rights of adjoining land owners to continue with the agricultural production of their property.
Should be outlined how potable water will be provided to the proposed chalets.	The applicant has stated that rainwater tanks will be installed and filtered water would be provided for guests.

COMMENT

The adoption of Amendment 18 into *TPS7* was developed to allow for the diversification of Rural Agricultural zones and to encourage a supplementary income for farmers wishing to ensure viability of agricultural production on their properties. A specific requirement of proposing chalets or tourist development within a Rural Agriculture 2 zone is to develop a management plan in collaboration with DAFWA, which is to address the management of dust, noise, visual amenity and biosecurity. The information submitted is limited in the scope of how the owners will specifically address conflicts, impacts and compatibility with the existing and potential agricultural land uses. There are some suggested mechanisms; however, the applicant has on many occasions omitted detail on the external impacts of the development.

Although DAFWA assisted in the development of the submitted management plan, the additional advice provided from this Department is that the proposal could have lasting impacts upon the future viability of the agricultural land in the vicinity. DAFWA has stated that increased tourism in an agricultural area will increase biosecurity risk, particularly with the introduction of pests and diseases. Management practices only have a certain scope to manage risks associated with the introduction of tourism activities into an agricultural area and it is the Department's position that specific monitoring mechanisms would be required.

The applicant has submitted a draft brochure to be distributed to guests prior to their arrival. A number of prerequisites for visiting the property are outlined and provide information regarding biosecurity risks. The implementation of these requirements on a regular basis would require monitoring to ensure that biosecurity is appropriately managed.

It is unclear whether the applicant intends to supplement an agricultural income and if the proposed development will be a subordinate use of the property as required under the regulations of *TPS7*. From aerial photography it appears that approximately 3.4ha of a total 8ha of the property is being cultivated and the applicant states that 700 mango trees are established on the property. Properties to the north of River Farm Road generally appear to be utilising a larger proportion of their land for agricultural pursuits. The applicant proposes to utilise 2.4ha of the property for the proposed chalet development with an additional portion of land that will be left vacant, as illustrated in attachment 4. Given the proposed land use proportions it is difficult to ascertain if the chalet development will be a subordinate use in comparison to the existing agricultural activities on the property.

The submissions received in opposition of the development were predominantly well developed and researched. Important points were raised relating to the lack of detail provided in the management plan and how the development would be monitored into the future.

It is the understanding of Shire Officers that the adoption of Amendment 18, which allowed for incidental uses within an Agricultural area, permitted a maximum of three accommodation units. The number of accommodation units approved would be subject to the size and location of the property i.e. the maximum number would be on a larger property. The majority of lots on River Farm Road are relatively narrow and therefore achieving the required setback distances requires a compact development. DAFWA has outlined that a 500m buffer distance would be desirable between tourist accommodation and active crops, which also leads to the conclusion that the proposal could be viewed as an overdevelopment of the site.

The application complies with the setback and screening requirements of *TPS7*, however the implementation, monitoring and maintenance of the proposed screening will be necessary.

SPP2.5 was developed to protect rural land from incompatible uses whilst allowing for additional uses that can support primary production and value adding activities. The policy does not support the introduction of uses that may constrain existing or potential rural land uses. As outlined by DAFWA, the approval of this application would increase biosecurity risk by amplifying the potential of the introduction pests and diseases and therefore lead to a loss of market value for farmers. This indicates that the potential impacts of this application have been identified and do not align with the intent of *SPP2.5*.

The *LPS* also identifies the importance of retaining PAL, however in the current *LPS* a map identifying PAL is not included. Although a demand for rural residential properties has placed pressure on PAL, it is still imperative that land with existing and future agricultural value is retained where possible through appropriate decision making. The clear message of the *LPS* is that diversification of Rural Agricultural lots is to supplement an existing income of a property or uses that are primarily incidental to the principal agricultural use. As outlined previously, it is unclear if the proposed development will supplement the existing income of the property or will become an additional source of income amongst other business pursuits of the owners.

Allowing for continued agricultural pursuits and production in the locality is identified as an important approach within the *LPS*. DAFWA has expressed concern for the future viability of farming within the area should the current application be approved. The sensitivity of Rural Agricultural zones is noted as an important factor in assessing new land uses within these zones. Operational activities of farming does not create an environment conducive for tourism accommodation and conflicts relating to noise, dust and chemicals could become a potential issue in the future. These impacts could be managed through the requirement of a statutory declaration acknowledging that nuisances from agricultural activities are expected.

The Draft *LPS* Review notes that PAL should be mapped, identified and protected, however, DAFWA have provided advice that River Farm Road and this particular site is PAL and should be retained strictly for agricultural purposes.

Should the proposal be approved, there are a number of mechanisms that could be implemented that would manage the incompatible land uses including the reduction in number of chalets approved and development area, an increase in crop cultivation on the property, a statutory declaration acknowledging the agricultural nuisances and/or an improved management plan.

Considering the strategic and statutory policy directions, it is evident that PAL should be protected were possible and incompatible land uses should be restricted. Although options for diversification have been offered within *TPS7*, it is believed the intent of these were on larger farming properties and to supplement the income of an active agricultural property. From the information provided by the applicant, it is unclear if the objective of the proposal is to support the ongoing cultivation of the land. The risks associated with introducing tourism accommodation into the locality have been outlined by DAFWA and demonstrate that allowing the proposed development would impact the future agricultural viability of River Farm Road.

It is noted that an agricultural impact statement was not provided and would have assisted in the assessment of the proposed development being subordinate to the main use of the property for agricultural purposes.

ATTACHMENTS

- 1 – Proposed plans and submission
- 2 – Department of Agriculture and Food WA Advice
- 3 – Assessment plan

VOTING REQUIREMENT

Absolute Majority

OFFICER'S RECOMMENDATION

Refusal

That Council refuses the planning application for 3 chalets at Lot 530 River Farm Road, Kununurra, for the following reasons:

- 1) The proposal does not comply with the requirements under Town Planning Scheme no. 7 – Kununurra and Environs for incidental development within the Rural Agricultural area as it does not provide an appropriate biosecurity management strategy; and
- 2) The property is considered Prime Agricultural Land by Department of Agriculture and Food WA and therefore would be compromised by the introduction of tourist accommodation.

Although the Agenda indicated the voting requirement as an Absolute Majority the actual voting requirement is Simple Majority.

COUNCIL DECISION

Minute No. 10352

Moved: Cr R Dessert

Seconded: Cr S Cooke

That Council refuses the planning application for 3 chalets at Lot 530 River Farm Road, Kununurra, for the following reasons:

- 1) The proposal does not comply with the requirements under *Town Planning Scheme no. 7 – Kununurra and Environs* for incidental development within the Rural Agricultural area as it does not provide an appropriate biosecurity management strategy; and**
- 2) The property is considered Prime Agricultural Land by Department of Agriculture and Food WA and therefore would be compromised by the introduction of tourist accommodation.**

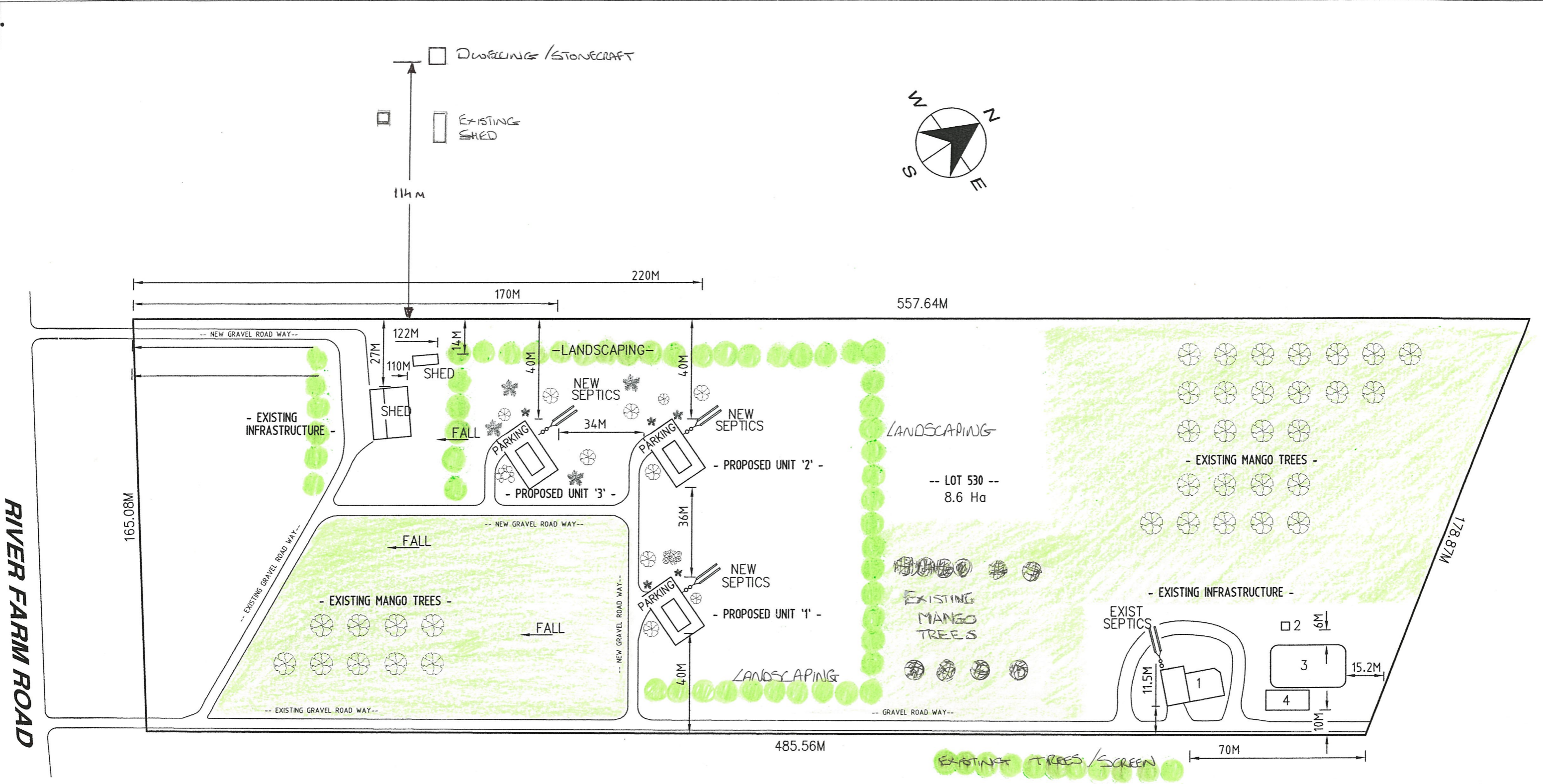
Tied 4/4

For: Cr D Learbuch, Cr J Moulden, Cr S Cooke, Cr R Dessert

Against: Cr K Wright, Cr B Robinson, Cr D Spackman, Cr G King

Casting Vote: Cr J Moulden in support of the officer's recommendation

5:38pm Cr G Taylor re-enters the meeting.

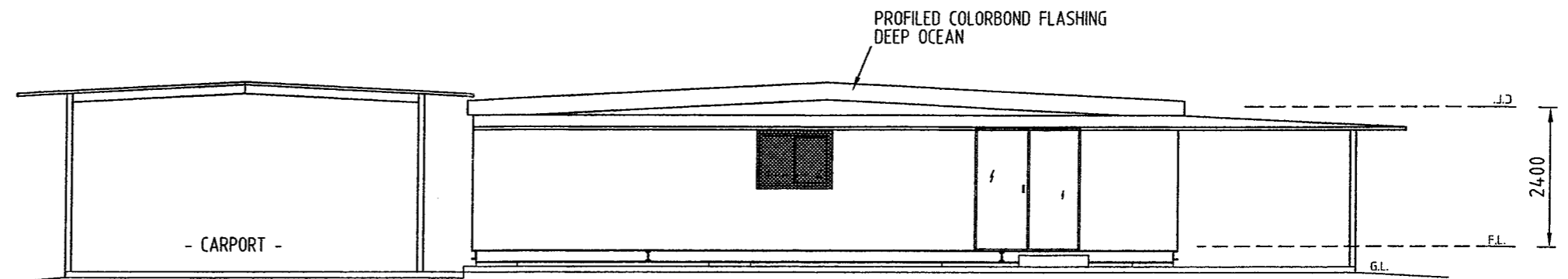


NOTES :-
FFL 600mm ABOVE NGL
FFL 1M ABOVE CROWN OF RIVERFARM RD
LEACH DRAINS TO BE ABOVE GROUND

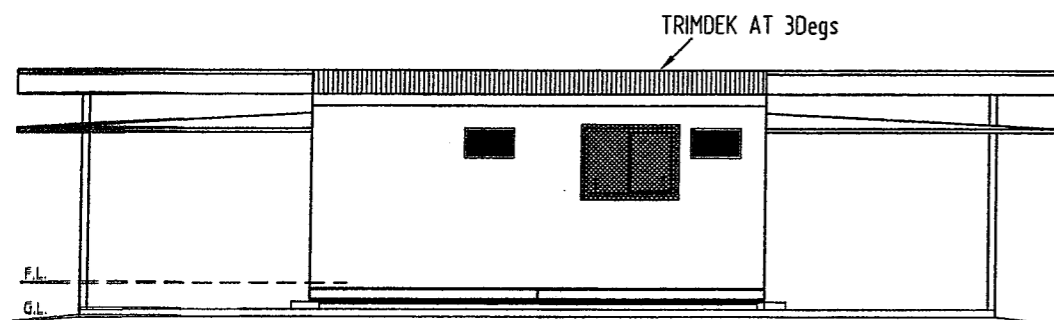
- 1 - HOUSE 23M x 14M ROOF AREA
- 2 - PUMP SHED 3.2M x 3.2M
- 3 - DAM 30M x 17M
- 4 - WORKSHOP/GARAGE 17M x 8M

DO NOT SCALE - IF IN DOUBT ASK

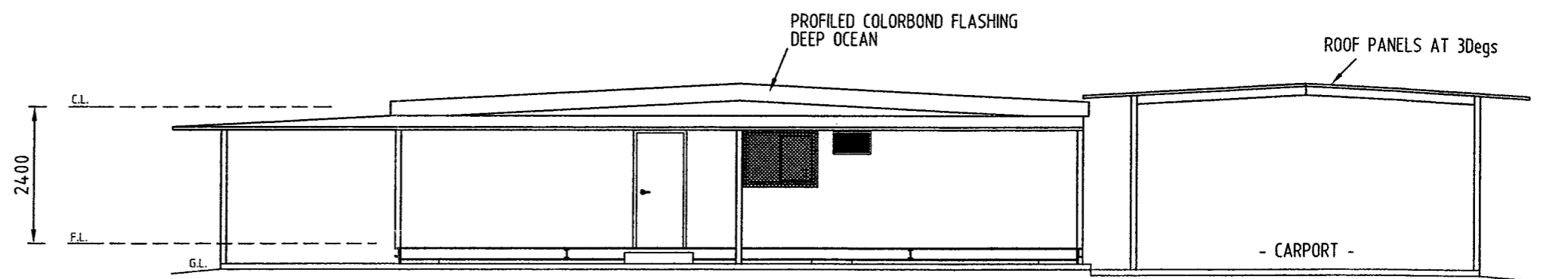
								D.R. READ TIMEAust. P.O. BOX 348 KUNUNURRA WA 6743 TELEPHONE 08-91691632 FAX 08-91691630 MOBILE 0408-363728 dread@gn.net.au		SCALE 1:1500		CONTRACT NO.		TITLE PROPOSED ACCOMMODATION UNITS FOR ROB & VICKY LOT 530 RIVER FARM RD SITE LAYOUT		PROJECT SECTION DRG. NO. 206 of 315 RV-RF-001		REV. A
Ordinary Council Meeting Minutes				24-05-13				ISSUED FOR APPROVAL		DATE 24-05-13		EQUIPMENT NO.		SHT 1 OF 1				
REFERENCE DRAWING TITLE	DRG. NO.	REV	DATE	REVISIONS				MADE	CKD	APP	A3	APPROVED PROJECT ENGINEER		APPROVED CLIENT DEPARTMENT				



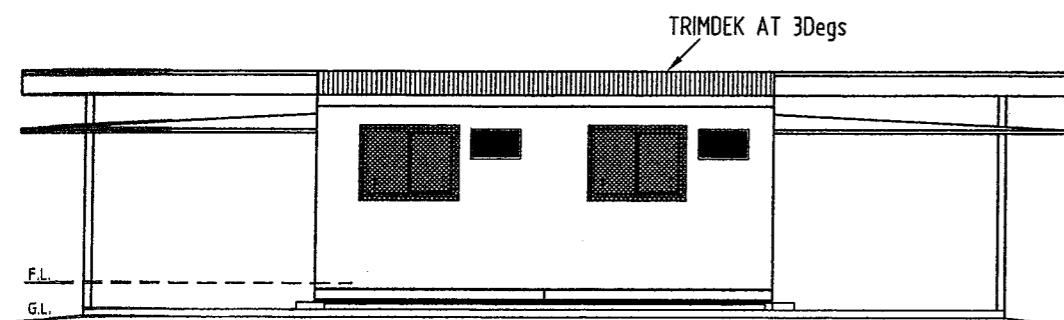
ELEVATION 3
RV 03



ELEVATION 1
RV 03



ELEVATION 4
RV 03



ELEVATION 2
RV 03

DO NOT SCALE - IF IN DOUBT ASK

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Planning Approval Submission:
Town Planning: Agricultural Zone 2
5.22.2 Other Incidental Uses - Chalets
Lot 530 River Farm Road
Mango Producing - 8.8 hectare property
R Storey and V Biorac

Planning Approval Submission: R Storey and V Biorac

This application is for attaining planning approval to build 3 chalets on our property at 530 River Farm Road.

530 River Farm Road is zoned Rural Agricultural 2 and we are applying under the **Town Planning Scheme 5.22 - Development in Rural Agricultural 1, Rural Agricultural 2, General Rural, Rural Living and Rural smallholder zones. 5.22.2 - Other Incidental Uses: Chalets** - which complies with objectives set forth by Amendment 18 that outlines:

“Amendment 18 is an initiative to diversify and ‘value add’ to agricultural land. It has been prepared to enhance, support and facilitate opportunities for diversification in the agricultural areas of the Shire where a ranges of uses can be introduced on a complimentary basis to ‘value add’ to individual enterprises and the local economy, mainly through increased tourism.”

As a commercial operator in mangos we would like to diversify and use a small portion of our land for short-term tourist accommodation to supplement our primary agricultural income under amendment 18 and diversify the use of our land by building 3 chalets over the next 2 years. *Chalets as outlined under the Town Planning scheme are individual self contained unit usually comprising cooking facilities, en-suite, living area, and one or more bedrooms designed to accommodate short-stay guests, forming part of a tourism facility and where occupation by any person is limited to a maximum of three (3) months in any twelve (12) month period.*

These chalets will be complimentary to our existing agriculture business as it adds value to our commercial business and the local economy by giving tourists a unique experience - offering families a farm stay, surrounded by mangos, the Ord River, and bush land. By allowing this proposal there will be further income generated from this land which will not only be of benefit to this property but also to the community by having further tourism in the area and income that will come from this. It is also a further benefit that this venture is run by two locals with both 30 years of local knowledge and tourism experience.

We have been in contact with the Kununurra Agricultural Department and outlined our intentions with the Department’s Manager Noel Wilson who has provided his expert assistance. The below Management Plan and Agricultural Impact Assessment has been developed in consultation with Noel Wilson.

Outlined below - how this development will be appropriately managed so that it is not conflicting with the predominant agricultural use of the land. This is an incidental development to ensure current and future agricultural activities are not compromised. This development will remain subordinate in scale, scope and intensity to the predominant agricultural nature of the site. We farm 6 hectares of land, there are a further 2 hectares of cleared land not utilised. It is in this area that we would like to build our 3 chalets. The

chalets are separated from the nearest residential building on an adjacent property by a minimum of 70 meters and the chalet setbacks comply with Agricultural Zone 2 - Front 20, Side 35, Rear 35. The Chalets will also be screened by vegetation to shield the neighbouring property.

MANAGEMENT PLAN

This addresses how potential conflicts, impacts and compatibility with existing and potential agricultural land uses will be managed as per the requirements of SPP2.5.

- Dust and noise: Speed Limit Restrictions to reduce dust and noise.
Additional vegetation screening to reduce noise and dust
Gravel capping on driveways to reduce dust
The residents vehicles are also restricted to a designated driveway
- Visual amenity: Vegetation screening
Esthetic colour scheme on buildings
Buildings located so that they do not stand out in the environment
- Setbacks: Our setbacks are greater then required so that we keep well in the guidelines.
- Waste
There will be good rubbish disposal facilities available for guests, these will be emptied daily and the rubbish disposed of at the local land fill site in sealed bags.
- Landscaping
Will be undertaken to ensure that the new chalets do not stand out from the environment and the area remains with the look of a rural/agricultural area. Landscaping will either be with plants native to the area or the use of horticulture common in the area to have the new chalets blend in with the rest of the area.
- Biosecurity:

The Ord Irrigation scheme is a special and unique location and as farmers ourselves we have vested interest in not jeopardising the bio-security of agriculture in this area. *As addressed in letter by SWEK to Minister McTiernan in 2009 "The Ord Valley's remote location and isolation, low population base, and relatively limited agricultural variety mean that these conflicts are less likely to occur anyway."*

To manage Bio-Security we will have signage information displayed in prominent places. Guests will be made aware that they are staying in an active agricultural area and there will be agricultural activities occurring on adjoining properties. Relevant information will be available for guests. Because there may be a perceived increase in the risk of weeds, insects, pests and diseases to this area we will be informing visitors that fruit, especially stone fruit and citrus is not allowed into the Ord River

irrigation area between April and November.

There will be good rubbish disposal facilities available for guests, these will be emptied daily and the rubbish disposed of the local landfill site in sealed bags.

Guests will also be made aware of the risk of introducing weeds to the area. They will be asked to ensure that their vehicles are clean before entering the property and be reminded to check their clothing and equipment for any weed seeds and make sure that these are disposed of properly so that they do not have the ability to establish on the property and spread further in the irrigation area. The residents vehicles are also restricted to a designated driveway.

AGRICULTURE IMPACT ASSESSMENT

This impact assessment abides by the State Planning Policy guidelines outlined in the Town Planning and Development Act for Agricultural and Rural Land Use Planning.

Productivity

This Development will not result in the loss of productive agricultural land because while the land is suitable land for horticulture, grazing or cropping the size of the block is below what would be considered an economic scale for production in the Ord River Irrigation area. The site does not alienate adjacent agricultural land from the remainder of the agricultural area. On this property the site that has been identified for this proposal has no current horticulture, grazing, cropping, tree plantations or aquaculture so there will be no loss of current production. It will not have an impact on the quantity and quality of surface and groundwater supplies available to existing and potential agricultural uses in the area as water is obtained from the existing irrigation channel.

Land use conflict

As a measure to prevent any land use conflict addition vegetation screening will be of agricultural nature to increase the agricultural productivity of the land. Any new buildings will be set back from the boundary of the adjoining agricultural properties. Dust will be minimized by appropriate treatment to roads to ensure there is no dust from vehicle movement. This will include speed limit restrictions and treatment of the surface to reduce dust. There may be a perceived increase in the increase in risk of weeds, insect, pest and diseases to the area. This will be managed by provision of information to visitors on biosecurity risks to the area. Informing visitors that fruit, especially stone fruit and citrus, is not allowed into the Ord River irrigation area between April and November. There will be good rubbish disposal facilities available for guests, these will be emptied daily and the rubbish disposed of at the local landfill site in sealed bags. Guests will also be made aware

of the risk of introducing weeds to the area. They will be asked to ensure that their vehicles are clean before entering the property and be reminded to check their clothing and equipment for any weed, seeds and make sure these are disposed of properly so they do not have the ability to establish on the property and spread further in the irrigation area. Guests will be made aware that they are staying in an active agricultural area and there will be agricultural activities occurring on adjoin properties.

Land and Environmental Management and Rehabilitation

The land has the capacity to cater for the proposed new land use. The site doesn't require to be cleared of weeds, bushland or vegetation, it is already a cleared paddock from the time of purchase. It is not near any irrigation channels. The existing site will be enhanced with the planting of additional agricultural vegetation. By ensuring that biosecurity issues, dust and any other potential conflict with other land use are identified and addressed there will be no impact on downstream users. The design and management of the site will ensure that there will be no land degradation or nutrient loss and erosion into onsite water courses/bodies. The water runoff from the chalets will be managed to ensure it does not run off site and does not cause any erosion issues on site. As there are no degraded areas, environmentally sensitive areas, declared plants, neglected orchards or stock on the site these will not require management. The site will be monitored for declared plants and if any are found these will be controlled.


The Ord Valley

Agricultural Area

The Ord Valley is a prime agricultural area with a variety of produce grown. Home to some amazing foods such as Chia, a super food dating back to the Aztec's. Tropical fruit like Mangos are grown in abundance in the Ord Valley as are Paw Paws and melons. Sandlewood plantations are also prevalent in this region.

It is important to protect agricultural production in the Ord Valley from diseases, pests, weeds and insects which can be brought into this area via vehicles and people. River Farm Chalets have put in place measures to

protect the bio-security of this farming area. On arrival we will take you through several requirements that need to be followed in order to protect this agricultural area. These requirements are featured on the flyer attached to this brochure.



Our picturesque property is 10kms out of Kununurra on River Farm Road. These 3 delightful Chalets are modern, self contained and perfect for couples and families. The Ord River is a 5 minute drive from the chalets through beautiful Kimberley Landscape perfect for fishing and exploring.

Address

530 River Farm Road
Kununurra, WA, 6743

www.kimberleyexposure.com.au

River Farm Chalets



AGRICULTURAL AREA

CHALETS SITUATED ON OUR CHEMICAL FREE FARM

MANGO HAVEN

FAMILY FRIENDLY

HEALTHY LIVING

ORD RIVER

BUSH WALKING



PROTECTING BIO-SECURITY

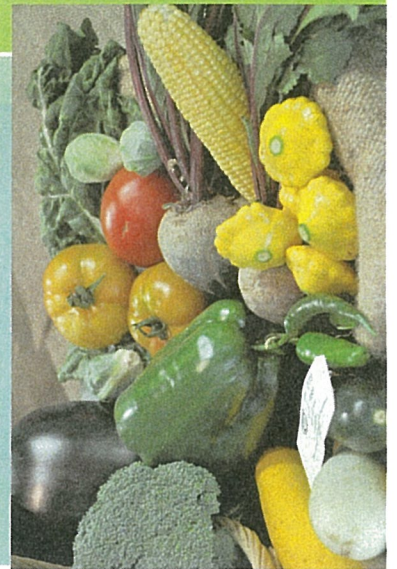


RIVER FARM CHALETs GUEST REQUIREMENTS

You will be staying in an active agricultural area and there will be agricultural activities occurring on adjoining properties.

Maintaining Bio-Security is essential. Visitors may increase the risk of weeds, insects, pests and diseases to this area, which can establish on the property and spread further in the irrigation area. Due to this we ask for several procedures to be followed. All visitors to the Ord Valley are required by the Agricultural Department to not bring fruit into the Ord River irrigation area.

Vehicles need to be cleaned at the Kununurra Car Wash prior to check in. Please also check your clothing and equipment, luggage, for any weed seeds and fruit and make sure that these are disposed of securely in a sealed bag. On arrival vehicles are requested to remain on designated driveways and observe the speed limits to reduce dust and noise. Dispose of all rubbish in the bins provided in your chalets and these will be emptied daily.



Attachment 2 - Department of Food WA Advice



Department of Agriculture and Food



Elle Davidson
Planning Officer
Shire of Wyndham East Kimberley
PO Box 614
Kununurra 6743

Your Ref: 101267:A118P:TP2025
Our Ref:
Enquiries: Noel Wilson
Date: 24th February 2014

Dear Elle,

Referral of Planning Application – Lot 530 River Farm Road

The Department of Agriculture and Food WA (DAFWA) considers that all land zoned as prime agriculture land should remain in agricultural production and not have some of this capacity removed for non agricultural uses. Lot 530 River Farm Road is considered as prime agricultural land and as such should remain totally for agricultural use.

Existing horticulture on smaller lots remain important for agriculture. Alternative development of such lots would compromise adjacent agriculture as adequate buffers cannot be provided.

DAFWA also considers that sensitive land uses, such as tourism developments, should not be located adjacent to agriculture production areas (rural zoned land) without an adequate buffer, normally a minimum of 500m, which must be provided for on the land to be developed.

Increased tourism into an agricultural area will increase the biosecurity risk to these areas. Any accommodation or other tourism activities located in the middle of an agricultural area will increase the risk of pests and diseases being introduced, could lead to loss of market access for growers and increase the cost of control if outbreaks were to occur.

While management practices can be introduced to assist in the reduction of risk, the more tourism activities present in an agricultural area the greater the risk. Any management practices would require monitoring to ensure that they are in place and working.

To assist in the management of any introduced pests or diseases the disposal of rubbish for sites of tourism use must be done in a secure way so that there is no escape in the landfill site.


Yours sincerely

Noel Wilson
Manager
Department of Agriculture and Food
Kununurra Office

Durack Drive, Kununurra, Western Australia 6743
Postal address: PO Box 19, Kununurra WA 6743
Telephone: (08) 9166 4000 Facsimile: (08) 9166 4000



DO NOT SCALE - IF IN DOUBT ASK

								D. R. READ TIMEAust. P.O.BOX 346 KUNUNURRA WA 6743 TELEPHONE 08-91691632 FAX 08-91691630 MOBILE 0408-363728 EMAIL d.read@nsgn.net.au				SCALE 1:1500		 NORTHERN DESIGN CONSULTANTS			
								DRAWN BY DR		DATE 24-05-13		CONTRACT NO.		TITLE PROPOSED ACCOMMODATION UNITS FOR ROB & VICKY LOT 530 RIVER FARM RD SITE LAYOUT		PROJECT SECTION	
								CHECKED SENIOR DRAFTSMAN				EQUIPMENT NO.		DRG. NO. 217 of 315 RV-RF-001		REV A	
								APPROVED PROJECT ENGINEER						SHT 1 OF 1			
								APPROVED CLIENT DEPARTMENT									
Ordinary Council Meeting Minutes				24-05-13				ISSUED FOR APPROVAL				DR DR		25 March 2014			
REFERENCE DRAWING TITLE				DRG. NO.		REV		DATE		REVISIONS				MADE		CKD APP A3	

13.3 CORPORATE SERVICES

13.3.1 Monthly Financial Report

DATE:	25 March 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	N/A
AUTHOR:	Asanka Jayakody, Accountant
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.09.5

PURPOSE

For Council to note and accept the Monthly Financial Report for February 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 February 2014.

COUNCIL DECISION

Minute No. 10353

Moved: Cr B Robinson

Seconded: Cr S Cooke

That Council accepts the Monthly Financial Report for the month of February 2014

Carried Unanimously 9/0



Shire of Wyndham East Kimberley

Monthly Financial Report 2013/2014

As at 28 February 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 28 February 2014

	YTD Actual 2013/14 \$	YTD Budget 2013/14 \$	YTD Variance 2013/14 \$	%	
Revenue					
General Purpose Funding	1,757,665	1,756,636	1,029	0%	▲
Governance	69,980	64,452	5,528	9%	▲
Law, Order, Public Safety	39,341	39,022	319	1%	▲
Health	61,057	59,949	1,108	2%	▲
Education and Welfare	103,424	103,502	(78)	0%	▼
Housing	143,625	140,098	3,527	3%	▲
Community Amenities	1,840,995	1,930,085	(89,090)	-5%	▼
Recreation and Culture	343,871	338,748	5,123	2%	▲
Transport	2,777,022	3,145,562	(368,540)	-12%	▼
Economic Services	59,951	52,521	7,430	14%	▲
Other Property and Services	291,634	288,944	2,690	1%	▲
	<u>7,488,565</u>	<u>7,919,519</u>	<u>(430,954)</u>	<u>-5%</u>	<u>▼</u>
Expenses					
General Purpose Funding	(379,079)	(377,846)	(1,233)	0%	▲
Governance	(2,684,968)	(2,689,653)	4,685	0%	▼
Law, Order, Public Safety	(474,187)	(447,506)	(26,681)	6%	▲
Health	(296,418)	(297,461)	1,043	0%	▼
Education and Welfare	(279,215)	(274,693)	(4,521)	2%	▲
Housing	(456,288)	(438,522)	(17,766)	4%	▲
Community Amenities	(2,962,063)	(3,039,598)	77,535	-3%	▼
Recreation & Culture	(3,445,624)	(3,429,610)	(16,014)	0%	▲
Transport	(4,381,447)	(4,413,684)	32,237	-1%	▼
Economic Services	(545,657)	(547,731)	2,074	0%	▼
Other Property and Services	(467,913)	(394,911)	(73,002)	18%	▲
	<u>(16,372,858)</u>	<u>(16,351,214)</u>	<u>(21,644)</u>	<u>0%</u>	<u>▲</u>
Adjustments for Cash Budget Requirements:					
Non-Cash Expenditure and Revenue					
(Profit)/Loss on Asset Disposals	(28,195)	(44,826)	16,631	0%	▼
Movement in Accruals and Provisions	(5,717)	48,452	(54,169)	-112%	▲
Depreciation on Assets	3,497,863	3,487,068	10,795	0%	▲
Capital Expenditure and Revenue					
Purchase Land Held for Resale	0	0	0	0%	▼
Purchase Land and Buildings	(456,312)	(456,802)	490	0%	▼
Purchase Infrastructure Assets - Roads	(704,380)	(705,973)	1,593	0%	▼
Purchase Infrastructure Assets - Footpaths	0	0	0	0%	▼
Purchase Infrastructure Assets - Drainage	(476,901)	(478,622)	1,721	0%	▼
Purchase Infrastructure Assets - Other	(1,112,980)	(1,118,091)	5,111	0%	▼
Purchase Plant and Equipment	(582,099)	(595,023)	12,924	0%	▼
Purchase Furniture and Equipment	(105,388)	(120,621)	15,233	-13%	▼
Grants / Contributions for Development of Assets	877,507	876,178	1,329	0%	▼
Proceeds from Disposal of Assets	126,000	133,000	(7,000)	0%	▼
Proceeds from Sale of Land Held for Resale	0	0	0	0%	▼
Repayment of Debentures	(290,549)	(290,549)	0	0%	▼
Proceeds from New Debentures	0	0	0	0%	▼
Transfers to Reserves (Restricted Assets)	(158,630)	(158,630)	0	0%	▼
Transfers from Reserves (Restricted Assets)	0	0	(0)	0%	▼
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	5,702,346	5,702,346	0	0%	▼
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	4,951,522	5,347,529	(396,007)	-7%	▼
Ordinary Council Meeting Minutes to be Raised from Rates 25 March 2014	<u>7,550,147</u>	<u>7,501,316</u>	<u>51,931</u>	<u>221.0%</u>	<u>▼</u>

Shire of Wyndham East Kimberley

Note to Statement of Financial Activity

Net Current Assets
as at 28 February 2014

NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position

	YTD Actual 2013/14	Brought Forward 1 July 2013
CURRENT ASSETS		
Cash - Unrestricted	3,120,820	5,262,152
Cash - Restricted	7,456,577	7,288,404
Cash - Restricted Unspent Grants	0	0
Receivables	1,823,713	1,426,471
Inventories	11,777	17,288
	<u>12,412,886</u>	<u>13,994,314</u>
LESS: CURRENT LIABILITIES		
Payables and Provisions	(4,787)	(1,003,565)
Less: Cash - Restricted	<u>(7,456,577)</u>	<u>(7,288,404)</u>
NET CURRENT ASSET POSITION	<u><u>4,951,522</u></u>	<u><u>5,702,346</u></u>

Shire of Wyndham East Kimberley

Notes to Statement of Financial Activity For the Period Ended 28 February 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 ▲

No material variances to report

Governance ▲

No material variances to report

Law, Order and Public Safety ▲

No material variances to report

Health ▲

No material variances to report

Education and Welfare ▼

No material variances to report

Housing ▲

No material variances to report

Community Amenities ▼

Rubbish Disposal Charges \$ 92,100 ▼ Delay in invoicing process. Timing. Expect to correct.

Recreation and Culture ▲

No material variances to report

Transport ▼

Passenger Head Tax - East Kimberley Regional Airport \$ 250,400 ▼ Delay in invoicing process. Timing. Expect to correct.

Passenger Screening Fees - East Kimberley Regional Airport \$ 119,800 ▼ Delay in invoicing process. Timing. Expect to correct.

Economic Services ▼

No material variances to report

Other Property and Services ▲

No material variances to report

Recurrent Expenditure ▲

General Purpose Funding ▲

No material variances to report

Governance ▼

No material variances to report

Law, Order and Public Safety ▲

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.

Health ▼

No material variances to report

Education and Welfare ▲

No material variances to report

Housing ▲

No material variances to report

Community Amenities ▼

Tip Maintenance \$ 63,800 ▼ Pending invoices for payments. Timing.

Refuse Collection \$ 39,000 ▼ Pending invoices for payments. Timing.

Litter Control \$ 11,300 ▼ Pending invoices for payments. Timing.

Pre Cyclone Cleanups \$ 13,400 ▲ Over expended to amended budget due to work required for the project higher than predicted.

Shire of Wyndham East Kimberley

Notes to Statement of Financial Activity

For the Period Ended 28 February 2014

(continued)

Recurrent Expenditure (continued)

Recreation and Culture

Direct Salaries - Wyndham Community Resource Centre (CRC)	\$	12,000	▲	Lower expenses set-off against higher Direct Salaries in Wyndham Administration.
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Recurrent Expenditure (continued)

Transport

Urban Road Maintenance - Kununurra	\$	16,100	▼	Pending invoices for payments. Timing.
Monsoonal Trough Flood Event, 6-9 Feb 2014	\$	28,100	▲	Unbudgeted expenses due flood event.
Depreciation - East Kimberley Regional Airport	\$	18,000	▼	Lower depreciation than expected due to some assets fully depreciated. Non cash items.
Direct Salaries - Wyndham Airport MUN	\$	21,400	▼	Lower expenses set-off against direct Salaries - East Kimberley Regional Airport

Economic Services

No material variances to report

Other Property and Services

Direct Salaries - Wyndham Administration	\$	12,300	▲	Higher expenses set-off against lower Direct Salaries in Wyndham CRC.
Building Maintenance - 20 Coolibah - New Kununurra Administration	\$	11,200	▲	Timing related to year to date budget estimates.
Loss on Sale of Assets - Plant Operation	\$	19,200	▲	Loss on sale on disposal recorded after budget amendment. 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 is lower than expected as at date of reporting.
Depreciation	\$	10,800	▲	Timing. Non cash items.

Capital

Purchase Land Held for Resale

No material variances to report

Purchase Land and Buildings

No material variances to report

Purchase Infrastructure Assets - Roads

No material variances to report

Purchase Infrastructure Assets - Footpaths

No material variances to report

Purchase Infrastructure Assets - Drainage

No material variances to report

Purchase Infrastructure Assets - Other

No material variances to report

Purchase Plant and Equipment

No material variances to report

Purchase Furniture and Equipment

No material variances to report

Grants / Contributions for Development of Assets

No material variances to report

Shire of Wyndham East Kimberley

Notes to Statement of Financial Activity

For the Period Ended 28 February 2014

(continued)

Capital *(continued)*

Proceeds from Disposal of Assets



No material variances to report

Debentures



No material variances to report

Reserves



No material variances to report

Shire of Wyndham East Kimberley

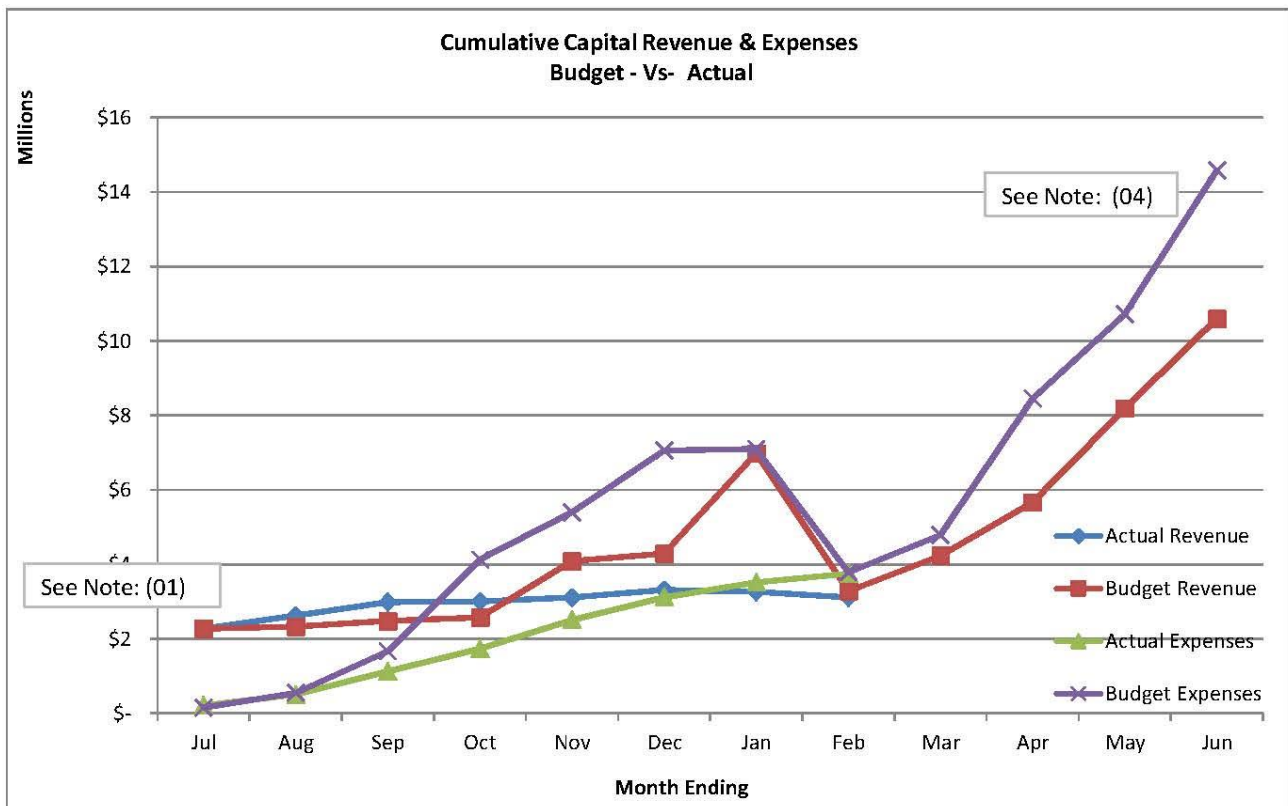
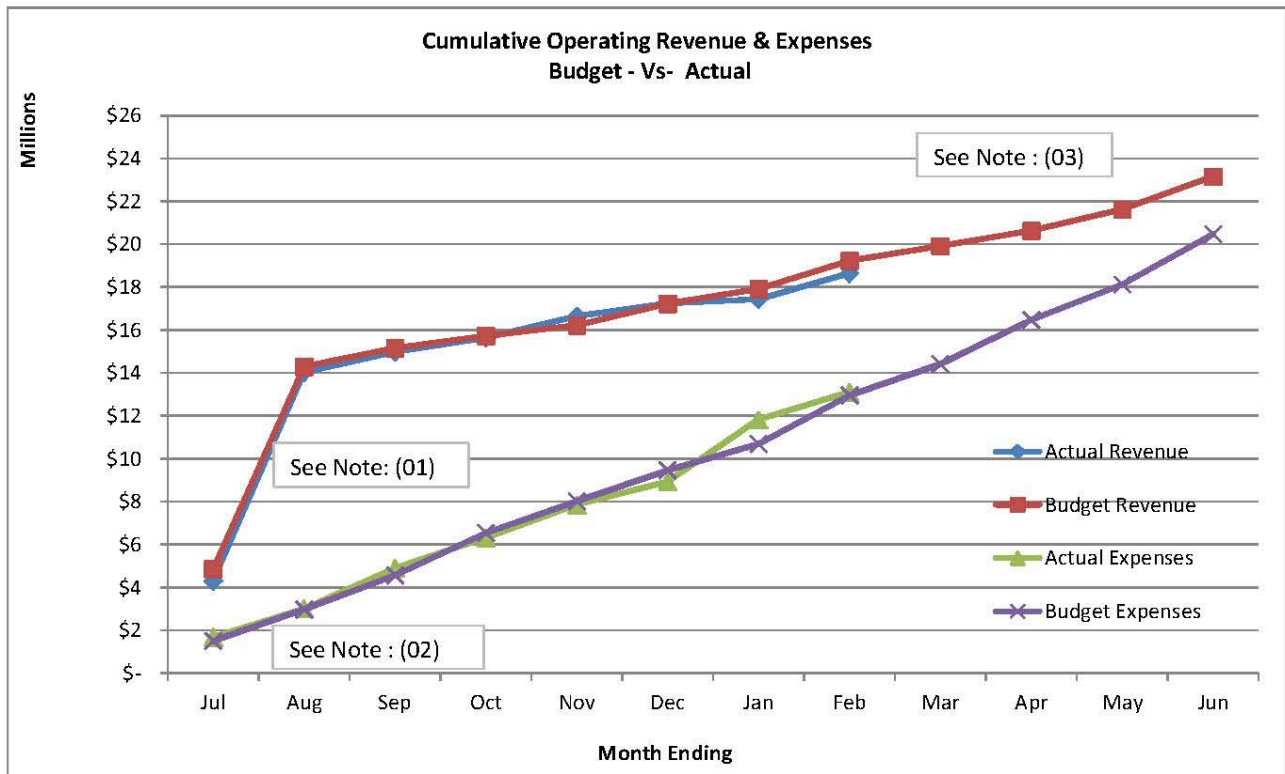
Note to Statement of Financial Activity

Budget Remaining to Collect/Spend as at 28 February 2014

	YTD Actual 2013/14 \$	Annual Budget 2013/14	Budget Remaining 2013/14 \$	%	
Revenue					
General Purpose Funding	1,757,665	2,284,289	526,624	23%	▼
Governance	69,980	119,966	49,986	42%	▼
Law, Order, Public Safety	39,341	42,697	3,356	8%	▼
Health	61,057	81,357	20,300	25%	▼
Education and Welfare	103,424	174,377	70,953	41%	▼
Housing	143,625	940,198	796,573	85%	▼
Community Amenities	1,840,995	2,552,334	711,339	28%	▼
Recreation and Culture	343,871	639,490	295,619	46%	▼
Transport	2,777,022	4,521,034	1,744,012	39%	▼
Economic Services	59,951	145,000	85,049	59%	▼
Other Property and Services	291,634	328,371	36,737	11%	▼
	<u>7,488,565</u>	<u>11,829,113</u>	<u>4,340,547</u>	<u>37%</u>	<u>▼</u>
Expenses					
General Purpose Funding	(379,079)	(844,584)	(465,505)	55%	▼
Governance	(2,684,968)	(3,274,343)	(589,375)	18%	▼
Law, Order, Public Safety	(474,187)	(709,724)	(235,537)	33%	▼
Health	(296,418)	(480,768)	(184,351)	38%	▼
Education and Welfare	(279,215)	(493,699)	(214,485)	43%	▼
Housing	(456,288)	(707,616)	(251,328)	36%	▼
Community Amenities	(2,962,063)	(4,936,178)	(1,974,115)	40%	▼
Recreation & Culture	(3,445,624)	(5,497,612)	(2,051,988)	37%	▼
Transport	(4,381,447)	(7,158,045)	(2,776,598)	39%	▼
Economic Services	(545,657)	(948,852)	(403,196)	42%	▼
Other Property and Services	(467,913)	(343,239)	124,674	-36%	▲
	<u>(16,372,858)</u>	<u>(25,394,661)</u>	<u>(9,021,803)</u>	<u>36%</u>	<u>▼</u>
Adjustments for Cash Budget Requirements:					
Non-Cash Expenditure and Revenue					
(Profit)/Loss on Asset Disposals	(28,195)	(778,004)	(749,809)	96%	▼
Movement in Accruals and Provisions	(5,717)	48,452	54,169	112%	▼
Depreciation on Assets	3,497,863	5,662,315	2,164,452	38%	▼
Capital Expenditure and Revenue					
Purchase Land Held for Resale	0	(504,504)	(504,504)	100%	▼
Purchase Land and Buildings	(456,312)	(3,221,628)	(2,765,316)	86%	▼
Purchase Infrastructure Assets - Roads	(704,380)	(2,214,546)	(1,510,166)	68%	▼
Purchase Infrastructure Assets - Footpaths	0	(31,000)	(31,000)	100%	▼
Purchase Infrastructure Assets - Drainage	(476,901)	(595,000)	(118,099)	20%	▼
Purchase Infrastructure Assets - Other	(1,112,980)	(4,184,706)	(3,071,726)	73%	▼
Purchase Plant and Equipment	(582,099)	(685,863)	(103,764)	15%	▼
Purchase Furniture and Equipment	(105,388)	(343,985)	(238,597)	69%	▼
Grants / Contributions for Development of Assets	877,507	5,156,224	4,278,717	83%	▼
Proceeds from Disposal of Assets	126,000	940,638	814,638	87%	▼
Proceeds from Sale of Land Held for Resale	0	0	0	0%	▼
Repayment of Debentures	(290,549)	(478,397)	(187,848)	39%	▼
Proceeds from New Debentures	0	2,308,498	2,308,498	100%	▼
Transfers to Reserves (Restricted Assets)	(158,630)	(2,315,914)	(2,157,284)	93%	▼
Transfers from Reserves (Restricted Assets)	0	1,611,787	1,611,787	100%	▼
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	5,702,346	5,702,346	0	0%	▼
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	4,951,522	31,300	(4,920,222)	-15720%	▲
Amount Required to be Raised from Rates	7,553,247	7,520,134	(33,113)	0%	▲
Ordinary Council Meeting Minutes	25 March 2014				226 of 315

Shire of Wyndham East Kimberley

Note to Statement of Financial Activity
as at 28 February 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)

INVESTMENT POLICY F17

"Overall Portfolio Limits"

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%

Note: "S & P" relates to Standard & Poor's 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%

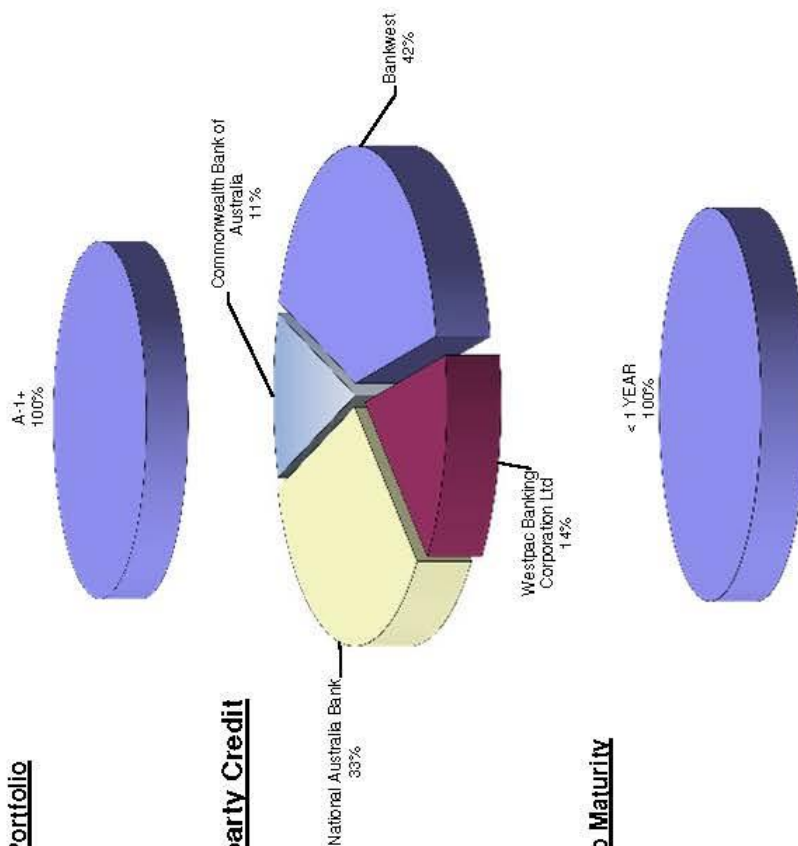
"Term to Maturity Framework"

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)

RESULTS AS AT 28 FEBRUARY 2014

Overall Portfolio



13.3.2 List of Accounts Paid Under Delegation

DATE:	25 March 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	N/A
AUTHOR:	Felicity Heading, Senior Finance Officer
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	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 EFT 120140 – 120356 (03 February – 28 February 14)	\$ 1,086,190.94
Municipal cheques 42612 - 42682 (03 February – 28 February 14)	\$ 188,429.81
Trust cheques 631 – 633 (03 February – 07 February 14)	\$ 1,040.00
Trust EFT 500634 – 500670 (02 February – 27 February 14)	\$ 31,469.45
Payroll (05 February – 19 February 14)	\$ 495,800.58
Direct bank debits (03 February – 28 February 14)	<u>\$ 20,077.93</u>
TOTAL	\$ 1,823,008.71

COUNCIL DECISION

Minute No. 10354

Moved: Cr S Cooke

Seconded: Cr B Robinson

That Council receives and accepts the listing of accounts paid from the Municipal and Trust fund, being:

Municipal EFT 120140 – 120356 (03 February – 28 February 14)	\$ 1,086,190.94
Municipal cheques 42612 - 42682 (03 February – 28 February 14)	\$ 188,429.81
Trust cheques 631 – 633 (03 February – 07 February 14)	\$ 1,040.00
Trust EFT 500634 – 500670 (02 February – 27 February 14)	\$ 31,469.45
Payroll (05 February – 19 February 14)	\$ 495,800.58
Direct bank debits (03 February – 28 February 14)	<u>\$ 20,077.93</u>
TOTAL	\$ 1,823,008.71

Carried Unanimously 9/0

Attachment 1 - List of accounts paid from municipal and trust fund

LIST OF ACCOUNTS SUBMITTED TO COUNCIL 25 MARCH 2014

CHQ/EFT	DATE	NAME	DESCRIPTION	AMOUNT
EFT120140	03/02/2014	DEPARTMENT OF FIRE & EMERG. SERVICES	REFUND OF 1213 BFB UNDERSPEND/REFUND OF 1314 GRANT PAID	15,084.57
EFT120141	03/02/2014	AMPAC DEBT RECOVERY (WA) PTY LTD	DEBT COLLECTION COSTS - DEC 13	135.08
EFT120142	03/02/2014	AMPAC TECHNOLOGIES PTY LTD	SERVICE/REPAIR EV3000 REMOTE PAGING CONSOLE MIC SN 122-002	341.00
EFT120143	03/02/2014	ALAN WILSON	REIMBUSMENT FOR DOUBLE PAYMENT OF SEPTIC TANK APPLICATION	243.00
EFT120144	03/02/2014	ALLCLEAN COMMERCIAL CLEANERS	CLEANING OF 23 BOOBIALLA WAY 16/01/2014	700.00
EFT120145	03/02/2014	BROADCAST AUSTRALIA PTY LTD	FACILITIES LEASING - POWER RECOVERY - 25/09/13 - 31/1/13 SBS & GWNR	484.13
EFT120146	03/02/2014	BLACKWOODS ATKINS PTY LTD	ASBESTOS HAZARD CLEAR BAGS	163.08
EFT120147	03/02/2014	BUSHCAMP SURPLUS STORE	STAFF WORK BOOTS FOR O.S.H. REQUIREMENTS	199.00
EFT120148	03/02/2014	C & S JOLLY ELECTRICS PTY LTD	REPAIRS AUTOMATIC TOILET KONERBERRY DRIVE	133.38
EFT120149	03/02/2014	CROCODILE SIGNS PTY LTD	COUNCIL MEETING ROOM - KUNUNURRA	245.30
EFT120150	03/02/2014	DELRON CLEANING PTY LTD	CONTRACT CLEANING FEE - DEC 2013 VARIOUS LOCATIONS KUNUNURRA	13,938.61
EFT120151	03/02/2014	DSC CONTRACTING	FIRE ALARM TESTING EAST KIMBERLEY REGIONAL AIRPORT	186.00
EFT120152	03/02/2014	DAVEY TYRE & BATTERY SERVICE	P111 TYRES X 4, P435 TYRE	1,386.50
EFT120153	03/02/2014	EAST KIMBERLEY HARDWARE	PALLET RAPID SET CEMENT	893.30
EFT120154	03/02/2014	EAST KIMBERLEY PLUMBING	UNBLOCK AUTOMATED TOILET KONKERBERRY DRIVE KUNUNURRA	354.86
EFT120155	03/02/2014	EAST KIMBERLEY REAL ESTATE	LEASE PAYMENT 1/25 KONKERBERRY DV, KUNUNURRA 20/1/14-20/2/14	3,141.66
EFT120156	03/02/2014	FENCE FACTORY	MATERIALS FOR REPLACEMENT OF APPROX 1KM OF FENCE AT KNX LANDFILL SITE	990.00
EFT120157	03/02/2014	FRONTIER POST & NEWS	CASH BOX LANDFILL WYNDHAM	30.05
EFT120158	03/02/2014	GHD PTY LTD	UNDERTAKE GEOTECHNICAL INVESTIGATION RUNWAY EKRA KUNUNURRA	8,262.10
EFT120159	03/02/2014	GUERINONI & SONS	PLACE ROCK AROUND GRATED LIDS & REINSTATE SHOULDERS COOLIBAH DVE KNX	16,500.00
EFT120160	03/02/2014	HITACHI CONSTRUCTION MACHINERY	P477 PARTS	106.90
EFT120161	03/02/2014	IBAC PLUMBING PTY LTD	PLUMBING WORKS SWIM BCH TOILETS KUNUNURRA, REFUND SEPTIC APPLIC FEE	699.95
EFT120162	03/02/2014	JASON SIGNMAKERS LTD	SIGNAGE MANGALOO STREET KUNUNURRA	2,051.50
EFT120163	03/02/2014	JSW HOLDINGS PTY LTD	HIRE WATER TRUCK TO FILL TANKS AT DOG POUND KUNUNURRA	214.50
EFT120164	03/02/2014	KIMBERLEY COMMUNICATIONS	REPAIR UHF CONNECTION	120.00
EFT120165	03/02/2014	KUNUNURRA HOME & GARDEN	PIPE WRENCH/EXTENSION LEAD/GAS BOTTLE REFILL/TOILET BRUSH	112.39
EFT120166	03/02/2014	LAWRENCE & HANSON GROUP	20 ECO BULBS 4 - PIN FOR CEILING LIGHTS	109.73
EFT120167	03/02/2014	LANDGATE	LAND ENQUIRIES RATES DEC 13	360.00
EFT120168	03/02/2014	LIQUID CONTAINMENT	FINAL PMT SUPPLY & INSTALL PVC LINERS FOR SULLAGE PITS AT LANDFILL SITE KNX	17,742.50
EFT120169	03/02/2014	METALAND KUNUNURRA	STEEL POLES FOR SIGNS MANGALOO STREET KUNUNURRA	1,586.89
EFT120170	03/02/2014	ORDCO	CYDECTIN, TO REMOVE TICKS, FLEAS, ETC POUND KUNUNURRA	256.30

EFT120171	03/02/2014	OFFICE NATIONAL KUNUNURRA	STATIONERY KUNUNURRA LIBRARY	213.72
EFT120172	03/02/2014	OLLIE'S IRRIGATIONS & PLUMBING SUPPLIES	PVC FITTINGS - KONKERBERRY/COTTON TREE CARPARKS	461.93
EFT120173	03/02/2014	STAFF MEMBER	REIMBURSEMENT SUPPLIES	907.36
EFT120174	03/02/2014	SEARLES HOLDINGS T/A AUTO PRO	BATTERY 12 VOLT 40 AMP HOUR FOR SOLAR LIGHTS WYNDHAM AIRPORT	199.00
EFT120175	03/02/2014	SETON AUSTRALIA PTY LTD	CYLINDER TAG/SHARPS CONTAINER/BIOLOGICAL HAZARD SIGN/POISON STICKERS	634.38
EFT120176	03/02/2014	SHIRE OF BROOME	REIMBURSE ACCOMMODATION & FOOD KIMBERLEY ZONE MEETING IN PERTH	789.16
EFT120177	03/02/2014	SURVEY NORTH	VARIOUS SURVEY SERVICES	8,008.00
EFT120178	03/02/2014	TELFORD INDUSTRIES	ECO-CHLOR 40KG KUNUNURRA SWIMMING POOL	1,134.65
EFT120179	03/02/2014	TNT AUSTRALIA PTY LIMITED	FREIGHT - PATHWEST AND NEDLANDS - HEALTH KNX	717.35
EFT120180	03/02/2014	TOTAL SAFETY & FIRE SOLUTIONS	6 MTH INSPECT/SERVICE/REPAIR - FIRE EXTINGUISHERS VARIOUS LOCATIONS KNX	3,021.70
EFT120181	03/02/2014	TANK MANAGEMENT SERVICES	CAPITAL PURCHASE 600 LITRE FIELD SPRAY UNIT WITH 6 METRE BOOM DEPOT KNX	13,685.00
EFT120182	03/02/2014	WESFARMERS KLEENHEAT GAS PTY LTD	ANNUAL GAS CYLINDER SERVICE CHARGE ON SHIRE KUNUNURRA LEISURE CTR	66.00
EFT120183	03/02/2014	WATER DYNAMICS	SUPPLY AND INSTALL RETIC CONTROLLER & POWER LINES CELEBRITY TREE PARK	20,350.00
EFT120184	10/02/2014	ATO CHILD SUPPORT AGENCY	PAYROLL DEDUCTIONS	892.45
EFT120185	10/02/2014	AUSTRALIAN FUEL DISTRIBUTORS	FUEL COSTS - DECEMBER KUNUNURRA	1,630.61
EFT120186	10/02/2014	ALLGEAR MOTORCYCLES AND SMALL ENGINES	HONDA PUSH MOWER/BRUSHCUTTER/PARTS	3,681.75
EFT120187	10/02/2014	ANALYTICAL REFERENCE LABORATORY	ASBESTOS SAMPLING	60.50
EFT120188	10/02/2014	ANSTAT	CONTRACT - 11679-AUSTRALIA NEW ZEALAND FOOD STANDARDS CODE 2014/2015	415.00
EFT120189	10/02/2014	AUSTRALIA POST	POSTAGE AND STATIONERY PURCHASES - DEC 13	697.31
EFT120190	10/02/2014	AUSTRALIAN SERVICES UNION	PAYROLL DEDUCTIONS	219.96
EFT120191	10/02/2014	AUSTRALIAN TAXATION OFFICE - PAYG	PAYROLL DEDUCTIONS	69,767.00
EFT120192	10/02/2014	C & S JOLLY ELECTRICS PTY LTD	INSPECTION OF OUTDOOR BASKETBALL LIGHTS AND ISOLATION OF FAULTY LIGHTS.	121.00
EFT120193	10/02/2014	CABCHARGE	CAB CHARGES NOVEMBER / DECEMBER	463.95
EFT120194	10/02/2014	CANNON HYGIENE AUSTRALIA PTY LTD	SUPPLY OF SANITARY BINS TO KUNUNURRA AIRPORT	5,612.24
EFT120195	10/02/2014	CDM HYDRAULICS PTY LTD	P477 REPAIRS TO GRADER	706.98
EFT120196	10/02/2014	CHADSON ENGINEERING	SAMPLING EXPENSES	92.18
EFT120197	10/02/2014	CORE BUSINESS AUSTRALIA PTY LTD	ASSET MANAGEMENT SERVICES	9,900.28
EFT120198	10/02/2014	DAVEY TYRE & BATTERY SERVICE	N70ZZ BATTERY FOR WYNDHAM AIRPORT STANDBY GENERATOR	654.50
EFT120199	10/02/2014	EAST KIMBERLEY HARDWARE	MINOR HARDWARE ITEMS KUNUNURRA DEPOT	491.85
EFT120200	10/02/2014	EAST KIMBERLEY PLUMBING	REPAIRS TO COPPER PIPE ON WASHDOWN BAY KUNUNURRA DEPOT	155.98
EFT120201	10/02/2014	EXPRESS VIRTUAL MEETINGS	TELECONFERENCE CHARGES – FLOOD EVENT ISG MEETINGS	60.93
EFT120202	10/02/2014	GHD PTY LTD	FIELD INVESTIGATIONS & TESTING PAVEMENT RUNWAY EKRA KNX	23,216.60
EFT120203	10/02/2014	GUERINONI & SONS	HIRE SIDETIPPERS & WATER CART - RE SHEETING MULLIGANS LAGOON RD	15,856.50
EFT120204	10/02/2014	IBAC PLUMBING PTY LTD	EMERGENCY REPAIRS WATER PIPE KUNUNURRA SWIMMING POOL	765.60

EFT120205	10/02/2014	IML LOGISTICS	TRANSPORT COST - WYNDHAM POOL CHEMICALS	567.90
EFT120206	10/02/2014	IMAGESOURCE	SWEK BRANDED WINDOW FACED ENVELOPES QTY 10000	1,788.41
EFT120207	10/02/2014	KIMBERLEY COMMUNICATIONS	REPAIRS TO DISH - JJJ & CLASSIC FM	360.00
EFT120208	10/02/2014	KUNUNURRA SMASH REPAIRS	REPLACE REAR WINDOW - INSURANCE CLAIM	350.00
EFT120209	10/02/2014	KUNUNURRA DISTRICT HIGH SCHOOL	SWEK CONTRIB. TO LIBRARY MNGR SALARY & LIBRARY OPERATING COSTS 2013-14	88,696.00
EFT120210	10/02/2014	L.G.R.C.E.U	PAYROLL DEDUCTIONS	19.40
EFT120211	10/02/2014	LANGFORD MACHINERY PTY LTD	P361 REPAIR INTERMITTENT HYDRAULIC OIL LEAK	330.00
EFT120212	10/02/2014	MAXXIA	PAYROLL DEDUCTIONS	5,686.51
EFT120213	10/02/2014	ORDCO	HERBICIDES	792.00
EFT120214	10/02/2014	ORICA AUSTRALIA PTY LTD	STORAGE AND HANDLING OF CHLORINE GAS CYLINDERS - WYNDHAM	477.06
EFT120215	10/02/2014	QUICK CORPORATE AUSTRALIA	STATIONERY FOR JANUARY 2014	1,230.74
EFT120216	10/02/2014	SHIRE OF WYNDHAM EAST KIMBERLEY	PAYROLL DEDUCTIONS	70.00
EFT120217	10/02/2014	TNT AUSTRALIA PTY LIMITED	FREIGHT - WELSHPOOL AND NEDLANDS - HEALTH KNX	757.39
EFT120218	10/02/2014	TST ELECTRICAL	FIT POWER POINT FOR GENERATOR SITE OFFICE KUNUNURRA LANDFILL	240.00
EFT120219	10/02/2014	TOP END MOTORS	P490 HILUX 190,000KM SERVICE	858.04
EFT120220	10/02/2014	TROPICAL PEST CONTROL	PEST CONTROL, KUNUNURRA POUND, TICKS & ANTS	110.00
EFT120221	10/02/2014	UHY HAINES NORTON (WA) PTY LTD	AUDIT CERTIFICATION - AGD ACQUITTAL	2,365.00
EFT120222	10/02/2014	VANDERFIELD NORTHWEST PTY LTD	P491,P135,P138 PARTS	294.92
EFT120223	10/02/2014	WA LOCAL GOVERNMENT SUPERANNUATION	SUPERANNUATION CONTRIBUTIONS	32,061.54
EFT120224	10/02/2014	WYNDHAM PLUMBING & GAS PTY LTD	CLEAR TOILET BLOCKAGE STAFF HOUSING	220.00
EFT120225	10/02/2014	WYNDHAM SUPERMARKET	SUPPLIES FOR RESTOCK FOR WYNDHAM CHILDCARE (BREAK-INS)	776.31
EFT120226	14/02/2014	AM INTERNATIONAL NT	RESHARPEN GUILLOTINE BLADES WYNDHAM ADMINISTRATION	80.30
EFT120227	14/02/2014	AUSTRAL MERCANTILE COLLECTIONS PTY LTD	DEBT COLLECTION - DEBTORS - AIRPORT - DEC 13	55.23
EFT120228	14/02/2014	AIRPORT LIGHTING SPECIALISTS	SOLAR REG 12V LIGHT EKRA KUNUNURRA	381.70
EFT120229	14/02/2014	AIRSERVICES AUSTRALIA	ERSA SPIRAL BOUND WITH RDS - 12 MONTH AMEMDMENT SERVICE	122.00
EFT120230	14/02/2014	BOAB REFRIGERATION AND AIRCON	PARTS AND LABOUR TO RECTIFY TWO FAULTS ON TERMINAL A/CONS EKRA	1,419.00
EFT120231	14/02/2014	BOC GASES AUSTRALIAN LIMITED	WELDING GASSES AND BOTTLE RENTAL - DEC 13	325.54
EFT120232	14/02/2014	BROADCAST AUSTRALIA PTY LTD	LEASE FEE RENEWAL OF 6FMS RADIO SERVICE MT ALBANY: 1/1/14-30/6/14	1,254.77
EFT120233	14/02/2014	BEST KIMBERLEY COMPUTING	FUJI XEROX COPIER - ENTERPRISE - SERIAL 703727 - PRINTING COSTS KNX ADMIN	2,479.28
EFT120234	14/02/2014	C & S JOLLY ELECTRICS PTY LTD	AIR CONDITIONER INSTALLATION	619.47
EFT120235	14/02/2014	CABCHARGE	FEES - CABCHARGE	13.39
EFT120236	14/02/2014	STAFF MEMBER	REIMBURSEMENT FOR RELOCATION COSTS AS PER EMPLOYEMENT CONTRACT	4,348.22
EFT120237	14/02/2014	COATES HIRE OPERATIONS PTY LTD	HIRE OF 9KVA GENERATOR FOR AUSTRALIA DAY CELEBRATIONS	136.29
EFT120238	14/02/2014	CONNECT INTERGRATED SYSTEMS	COMPUTER HARDWARE WYNDHAM ADMIN BUILDING	5,918.74

EFT120239	14/02/2014	CRE8TIVE DESIGN & DRAFTING	CONCEPT DRAWINGS FOR IVANHOE AND CROSSING FALLS FIRE STATIONS	650.00
EFT120240	14/02/2014	CROCODILE SIGNS PTY LTD	SIGNS FOR NON POTABLE WATER/PARKING SIGNS	333.30
EFT120241	14/02/2014	DELRON CLEANING PTY LTD	CONTRACT CLEANING FEE VARIOUS LOCATIONS KUNUNURRA - JANUARY 2014	13,938.61
EFT120242	14/02/2014	DSC CONTRACTING	ANNUAL PREVENTATIVE MAINTENANCE OF FIRE ALARM SYSTEM EKRA KNX	220.00
EFT120243	14/02/2014	DATA #3 LICENSING SOLUTIONS	2 ADDITIONAL MICROSOFT VISIO LICENSES (FOLLOWING TOTAL = 4)	356.64
EFT120244	14/02/2014	DEPARTMENT OF TRANSPORT	ANNUAL JETTY LICENSE - BUTTONS CROSSING COMMENCING 01/01/14	36.31
EFT120245	14/02/2014	EAST KIMBERLEY HARDWARE	PLUMBING COSTS STAFF HOUSING KUNUNURRA	64.60
EFT120246	14/02/2014	FUJI XEROX AUSTRALIA P/L	FUJI XEROX COPIER - WYN REC CENTRE - PRINTING COSTS	50.04
EFT120247	14/02/2014	FOCUS4IT	CAFESUITE SERVER (INC 1 YEAR SUPPORT) + CAFESUITE CLIENT (X7)	299.20
EFT120248	14/02/2014	GHD PTY LTD	UNDERTAKE GEOTECHNICAL INVESTIGATION RUNWAY EKRA KUNUNURRA	42,592.00
EFT120249	14/02/2014	IBAC PLUMBING PTY LTD	SERVICE CELEBRITY TREE PARK TOILETS/PLUMBING REPAIRS WYNDHAM POOL	1,130.64
EFT120250	14/02/2014	IT VISION ITV	REMOTE CUSTOMER ASSISTANCE & IMPLEMENTATIONS - DATABASE MIGRATION	2,180.00
EFT120251	14/02/2014	J & C ATKINS CONTRACTING PTY LTD	WYNDHAM POOL - SHADE REMOVAL DUE TO CYCLONE DEC 2013	880.00
EFT120252	14/02/2014	STAFF MEMBER	REIMBURSEMENT FOR WORKING WITH CHILDREN CHECK	54.00
EFT120253	14/02/2014	KUNUNURRA MEDICAL	IMMUNISATION - HEP A, HEP B & TETANUS - RANGERS	264.00
EFT120254	14/02/2014	KIMBERLEY COMMUNICATIONS	REPLACE ANALOGUE RADIO JJJ EQUIPMENT WITH DIGITAL EQUIPMENT	2,286.00
EFT120255	14/02/2014	KIMBERLEY FIRST NATIONAL REAL ESTATE	WATER USE - 18/11/13 - 14/1/14 - STAFF HOUSING	67.67
EFT120256	14/02/2014	KIMBERLEY KOOL REFRIG & AIRCOND	HIRE OF CHILLER TRAILER FOR AUSTRALIA DAY 2014 EVENT.	396.00
EFT120257	14/02/2014	KIMBERLEY TRAFFIC MANAGEMENT	TRAFFIC MANAGEMENT PLAN WORKS MESSMATE/BANDICOOT DRIVE KNX	861.52
EFT120258	14/02/2014	KIMBERLEY VET CENTRE	EUTHANISING OF FERAL CATS	1,000.00
EFT120259	14/02/2014	KUNUNURRA HOME & GARDEN	HOSE REEL/GAS CYLINDERS	92.50
EFT120260	14/02/2014	KUNUNURRA MOBILE WELDING SERVICE	P485 REPAIRS TO BACK CONVEYOR AQUATIC WEED HARVESTER	1,445.40
EFT120261	14/02/2014	KUNUNURRA PEST MANAGEMENT	TREAT CHILDRENS PLAY EQUIPMENT FOR PESTS WYNDHAM CHILDCARE	550.00
EFT120262	14/02/2014	LAYTON TECHNOLOGY PTY LTD	LAYTON SERVICE DESK AND AUDITWIZARD PACKAGES & ANNUAL LICENSES	5,461.50
EFT120263	14/02/2014	LANDGATE	EXTRACTION OF RECTIFIED AERIAL IMAGERY	181.50
EFT120264	14/02/2014	ORD RIVER ELECTRICS	TEST BACK UP GENERATOR WYNDHAM AIRPORT/FIND FAULT LIGHTS EKRA KNX	1,346.40
EFT120265	14/02/2014	OFFICE NATIONAL KUNUNURRA	VARIOUS STATIONERY ITEMS FOR AIRPORT OPERATIONS OFFICE	174.00
EFT120266	14/02/2014	PIVOTEL	SATELLITE PHONES COSTS - DEC 13	60.00
EFT120267	14/02/2014	PACIFIC BIOLOGICS PTY LTD	FILTERS MOSQUITO CONTROL KUNUNURRA	33.20
EFT120268	14/02/2014	SETON AUSTRALIA PTY LTD	SIGNAGE - 1 X BIOLOGICAL HAZARD ,1 X DANGER POISON	108.15
EFT120269	14/02/2014	ST JOHN AMBULANCE	APPLY FIRST AID TRAINING - STAFF WYNDHAM YOUTH SERV. 4TH & 5TH MARCH	498.00
EFT120270	14/02/2014	STELLAR CORPORATE SOLUTIONS	CONSULTING FEES - SUBMISSION TO FORREST REVIEW	3,850.00
EFT120271	14/02/2014	STAFF MEMBER	REIMBURSEMENT FOR WORKING WITH CHILDREN CHECK	54.00
EFT120272	14/02/2014	TOYWORLD KUNUNURRA	PRIZES FOR RLSSA SWIM FOR FRUIT PROGRAM	319.92

EFT120273	14/02/2014	TST ELECTRICAL	SOLENOID BALANCE FOR TANK WYNDHAM POOL /INSTLL COOKER STAFF HOUSING	330.00
EFT120274	14/02/2014	TOX FREE SOLUTIONS LTD	REFUSE/LITTER COLLECTION/STREET SWEEPING - KNX - NOV-DEC 2013	142,505.44
EFT120275	14/02/2014	TRAVELWORLD KUNUNURRA	FLIGHTS AND ACCOM. EX DARWIN SAFETY AUDITOR TRAINER - MARCH 2014	1,020.00
EFT120276	14/02/2014	TROPICAL PEST CONTROL	PEST CONTROL OLD SHIRE ADMINISTRATION OFFICE KUNUNURRA	220.00
EFT120277	14/02/2014	TUCKERBOX / RETRAVISION KUNUNURRA	STAFF AMENITIES EKRA KUNUNURRA	101.27
EFT120278	14/02/2014	VANDERFIELD NORTHWEST PTY LTD	P138, P491, P135 MOWER BLADES FOR JD MOWERS DEPOT/AIRPORT KNX	309.60
EFT120279	14/02/2014	WESTERN AUST. TREASURY CORPORATION	LOAN PMT - LOANS 113,114, KNX POOL REFURBISH/WYN REC CNR/STAFF HSING	73,567.75
EFT120280	14/02/2014	WYNDHAM PLUMBING & GAS PTY LTD	REPAIR TO DRINKING FOUNTAIN WYNDHAM POOL	247.50
EFT120281	17/02/2014	GLAMORGAN DOZING PTY LTD	DOZER HIRE - STOCKPILE SHALE CARLTON HILL ROAD	9,230.00
EFT120282	21/02/2014	ABCO PRODUCTS	CLEANING AND BATHROOM SUPPLIES KNX LEISURE CENTRE, EKRA	1,230.24
EFT120283	21/02/2014	ATO CHILD SUPPORT AGENCY	PAYROLL DEDUCTIONS	1,220.53
EFT120284	21/02/2014	ALLGEAR MOTORCYCLES AND SMALL ENGINES	P356 PARTS CHAINSAWS,REPAIRS MOWER - KUNUNURRA DEPOT	354.05
EFT120285	21/02/2014	AUSTRALIAN SERVICES UNION	PAYROLL DEDUCTIONS	219.96
EFT120286	21/02/2014	AUSTRALIAN TAXATION OFFICE - PAYG	PAYROLL DEDUCTIONS	87,145.00
EFT120287	21/02/2014	BERM BACKHOE HIRE	RURAL ROADSIDE SLASHING - REACH MOWING	9,086.00
EFT120288	21/02/2014	BLACKWOODS ATKINS PTY LTD	DEGREASER - DEPOT KUNUNURRA	344.85
EFT120289	21/02/2014	BUSHCAMP SURPLUS STORE	PROTECTIVE CLOTHING OUTDOOR WORKFORCE WYNDHAM,KUNUNURRA	919.25
EFT120290	21/02/2014	COATES HIRE OPERATIONS PTY LTD	HIRE CHERRY PICKER - LOP TREE LEISURE CTR KNX, PUMP HIRE MESSMATE WAY	308.61
EFT120291	21/02/2014	CORE BUSINESS AUSTRALIA PTY LTD	ASSET MGMT SERVICES, WANDRRA PROJECT MGMT TO END OF MARCH	40,815.63
EFT120292	21/02/2014	DAVEY TYRE & BATTERY SERVICE	P490 NEW BATTERY WY14982 RANGERS VEHICLE	169.00
EFT120293	21/02/2014	EAST KIMBERLEY HARDWARE	TOOLS/GENERAL PURPOSE CEMENT - WYNDHAM GENERAL MAINTENANCE	1,669.20
EFT120294	21/02/2014	HITACHI CONSTRUCTION MACHINERY	P479 JOHN DEERE BACKHOE SERVICE KIT	294.68
EFT120295	21/02/2014	KUNUNURRA 4WD SPARES	P115 SUPPLY AND INSTALL SPOTLIGHTS WY25064	559.00
EFT120296	21/02/2014	KIMBERLEY COMMUNICATIONS	CALL OUT - RELIEF TECHNICIAN - OVER CHRISTMAS BREAK - RESET JJJ	285.00
EFT120297	21/02/2014	KIMBERLEY KOOL REFRIG & AIRCOND	REPAIR ELECTRICAL FAULT AIRCONDITIONER STAFF HOUSING	132.00
EFT120298	21/02/2014	KUNUNURRA COURIERS	HIRE OF WATER COOLER AND BOTTLE EXCHANGES LANDFILL SITE	60.00
EFT120299	21/02/2014	KUNUNURRA DIESEL SERVICE	P360 SERVICE 1CWW319 - 3 TON TIP TRUCK	1,186.45
EFT120300	21/02/2014	KUNUNURRA LOCK & KEY	KEYS CUT FOR LEISURE CENTRE	100.00
EFT120301	21/02/2014	KUNUNURRA MOBILE WELDING SERVICE	P485 REPAIRS - LABOUR TO FIT WIRE TO REAR OF CUMBUNGI BOAT	1,430.00
EFT120302	21/02/2014	L.G.R.C.E.U	PAYROLL DEDUCTIONS	19.40
EFT120303	21/02/2014	MCINTOSH & SON	P354 PARTS FOR CASE BACKHOE - WYNDHAM	4,725.93
EFT120304	21/02/2014	MAXXIA	PAYROLL DEDUCTIONS	5,686.51
EFT120305	21/02/2014	MCLEAN ENTERPRISES PTY LTD	FREIGHT CONCRETE PIPES - DARWIN TO KUNUNURRA - IVANHOE RD DRAINAGE	660.00
EFT120306	21/02/2014	METALAND KUNUNURRA	GALVANISED PIPE - COOLIBAH DRIVE SCHOOL BUS STOP	863.24

EFT120307	21/02/2014	OPTEON (NORTH WEST WA) PTY LTD	VALUATION SERVICES FOR VARIOUS LOTS AT THE EAST KIMBERLEY AIRPORT	2,750.00
EFT120308	21/02/2014	ORDCO	HERBICIDES	1,139.60
EFT120309	21/02/2014	OFFICE NATIONAL KUNUNURRA	OFFICE SUPPLIES KUNUNURRA DEPOT	157.90
EFT120310	21/02/2014	ORD FUEL SUPPLIES	P488 FRONT END LOADER - GREASE	206.11
EFT120311	21/02/2014	ORD MACHINING	P386 SLASHER - CLUTCH REPAIRS	1,502.60
EFT120312	21/02/2014	SHELF SUPPLY	SAFE FOR LANDFILL SITE OFFICE KNX, SUPPLIES POUND KNX, BOOTS DEPOT STAFF	723.00
EFT120313	21/02/2014	SHIRE OF WYNDHAM EAST KIMBERLEY	PAYROLL DEDUCTIONS	70.00
EFT120314	21/02/2014	TOLL EXPRESS	FREIGHT - TELFORD INDUSTRIES - LEISURE CENTRE KNX	1,037.27
EFT120315	21/02/2014	STAFF MEMBER	REIMURSE EXPENSES WHILE ATTENDING MOSQUITO MANAGEMENT COURSE	135.55
EFT120316	21/02/2014	TUCKERBOX / RETRAVISION KUNUNURRA	COUNCIL/STAFF AMENITIES, OFFICE SUPPLIES KUNUNURRA ADMIN	640.50
EFT120317	21/02/2014	TYREPLUS KUNUNURRA	P136 JOHN DEERE SKIDSTEER - TYRE REPAIR	35.00
EFT120318	21/02/2014	UHY HAINES NORTON (WA) PTY LTD	AUDIT SERVICE FEES - YEAR ENDING 30 JUNE 2013 AS PER AGREEMENT	33,496.44
EFT120319	21/02/2014	VANDERFIELD NORTHWEST PTY LTD	P333,P473,P135,P491,P138,P477,P479,P136 - ENGINE OIL AND VARIOUS PARTS	3,365.42
EFT120320	21/02/2014	VISION IDZ	DYE FILM, CARDS FOR MEMBERSHIP CARD PRINTER - KNX LEISURE CENTRE	345.40
EFT120321	21/02/2014	VORGEE PTY LTD	SWIMMING GOGGLES - STOCK KUNUNURRA LEISURE CENTRE	921.80
EFT120322	21/02/2014	WA LOCAL GOVERNMENT SUPERANNUATION	SUPERANNUATION CONTRIBUTIONS	32,234.81
EFT120323	21/02/2014	WESTERN AUST. TREASURY CORPORATION	LOAN NO. 120, 118 INTEREST AND PRINCIPAL PAYMENT	38,541.85
EFT120324	28/02/2014	ASK WASTE MANAGEMENT	COUNCIL BRIEFINGS REPORTING, LANDFILL SITE, LIQUID WASTE FACILITY ADVICE	11,767.80
EFT120325	28/02/2014	AUSTRALIAN FUEL DISTRIBUTORS	FUEL COSTS - JAN 14 - VARIOUS PLANT	1,588.48
EFT120326	28/02/2014	ACE CORPORATE APPAREL	STAFF UNIFORMS	2,880.74
EFT120327	28/02/2014	ALLGEAR MOTORCYCLES AND SMALL ENGINES	MINOR PLANT PARTS AND REPAIRS DEPOT KUNUNURRA	389.80
EFT120328	28/02/2014	ARGYLE ENGINEERING	REPAIR PUBLIC AREA RUBBISH BIN DOOR - EKRA KUNUNURRA	49.50
EFT120329	28/02/2014	AUSTRALIA POST	POSTAGE AND STATIONERY PURCHASES - JAN 14	2,636.67
EFT120330	28/02/2014	BODAN CONSTRUCTIONS PTY LTD	REMOVE AND REPLACE BANKING COUNTER ADMIN OFFICE WYNDHAM	16,544.00
EFT120331	28/02/2014	CDM HYDRAULICS PTY LTD	REPAIRS TO HIRED TRACKED LOADER - LANDFILL KUNUNURRA	276.20
EFT120332	28/02/2014	COLEMANS PRINTING	RECEIPT BOOKS FOR MANUAL RECEIPTING AT TIP	814.00
EFT120333	28/02/2014	STAFF MEMBER	REIMBURSEMENT - FOOD FOR SWIM PROGRAM	52.95
EFT120334	28/02/2014	EAST KIMBERLEY HARDWARE	VARIOUS HARDWARE ITEMS - DEPOT KUNUNURRA	725.70
EFT120335	28/02/2014	EAST KIMBERLEY PLUMBING	BALANCE DUE - REPAIR ROOF ADMIN BUILDING KUNUNURRA	734.68
EFT120336	28/02/2014	EAST KIMBERLEY REAL ESTATE	WATER CONSUMPTION - 15/11/13 - 14/01/14 - LEASED STAFF HOUSING	116.01
EFT120337	28/02/2014	STAFF MEMBER	REIMBURSEMENT OF WORKING WITH CHILDREN CHECK	54.00
EFT120338	28/02/2014	GHD PTY LTD	REVIEW OF LOCAL PLANNING STRATEGY	15,382.40
EFT120339	28/02/2014	IBAC PLUMBING PTY LTD	UNBLOCK SWIM BEACH TOILETS	653.84
EFT120340	28/02/2014	STAFF MEMBER	REIMBURSE EXPENSES - FOOD SAFETY AUDITOR COURSE	141.93

EFT120341	28/02/2014	JSW HOLDINGS PTY LTD	EMERGENCY WORKS - HIRE LOADER AND EQUIPMENT FOR FLOOD DAMAGED RDS	1,516.30
EFT120342	28/02/2014	STAFF MEMBER	REIMBURSEMENT OF POLICE CLEARANCE	63.50
EFT120343	28/02/2014	KIMBERLEY FIRST NATIONAL REAL ESTATE	DEPOSIT FOR PURCHASE STAFF HOUSING - 130 CASUARINA WAY KUNUNURRA	5,000.00
EFT120344	28/02/2014	KIMBERLEY KOOL REFRIG & AIRCOND	REPAIRS TO ICE MACHINE & CLEAN FILTER	132.00
EFT120345	28/02/2014	MARTIN MCCLELLAND	SILICON AROUND WINDOWS, CHECK IN FOYER, GUTTER, ROOF - EKRA	616.00
EFT120346	28/02/2014	ORD RIVER ELECTRICS	INVESTIGATE CONNECTING THE LIZARD LOUNGE ONTO ESSENTIAL POWER	660.00
EFT120347	28/02/2014	OLLIE'S IRRIGATIONS & PLUMBING SUPPLIES	REPLACEMENT SPRINKLERS,FITTINGS RETICULATION KUNUNURRA	116.16
EFT120348	28/02/2014	SEARLES HOLDINGS T/A AUTO PRO	DIESEL ALGAE INHIBITOR - EKRA KUNUNURRA	105.00
EFT120349	28/02/2014	SGS ENVIRONMENTAL SERVICES	ANALYTICAL SERVICES	221.10
EFT120350	28/02/2014	STATE LIBRARY WA	BETTER BEGINNINGS GIFT BOOKS	847.00
EFT120351	28/02/2014	STRATCO KUNUNURRA	GALVANISED PIPE FOR SIGNS VARIOUS LOCATIONS - KUNUNURRA	2,369.17
EFT120352	28/02/2014	THORLEY'S STORE - WYNDHAM	SUPPLY 2 X 9KG GAS BOTTLES FOR BASTION BBQS WYNDHAM	90.00
EFT120353	28/02/2014	TOWN CARAVAN PARK	ACCOMMODATION - CONTRACT STAFF - 8/1/14 - 7/3/14	4,550.00
EFT120354	28/02/2014	UHY HAINES NORTON (WA) PTY LTD	WEBINAR-COORDINATOR ORGANISATIONAL DEV.	220.00
EFT120355	28/02/2014	VANDERFIELD NORTHWEST PTY LTD	P491,P138,P135 PARTS, P478 - WY13923 - 80,000KM SERVICE	1,007.32
EFT120356	28/02/2014	STAFF MEMBER	REIMBURSE EXPENSES REPORTING OFFICER TRAINING	85.40
TOTAL MUNI EFT PAYMENTS				1,086,190.94

CHQ/EFT	DATE	NAME	DESCRIPTION	AMOUNT
42612	03/02/2014	DEPARTMENT OF TRANSPORT	REGISTRATION - P123 - EXPIRES 18/02/14	526.10
42613	03/02/2014	HORIZON POWER	ELECTRICITY - AIRSERVICES HUT LOT 327 VICTORIA HWY KNA: 7/11/13 - 8/1/14	689.08
42614	03/02/2014	WATER CORPORATION	WATER USE VARIOUS LOCS INCL. KNX ADMIN OFFICE, EKRA KNX 14/11/13-13/1/14	2,894.81
42615	07/02/2014	AMP LIFE LTD	SUPERANNUATION CONTRIBUTIONS	409.12
42616	07/02/2014	AUSTRALIAN SUPER	SUPERANNUATION CONTRIBUTIONS	386.44
42617	07/02/2014	AUSTRALIAN SUPERANNUATION	SUPERANNUATION CONTRIBUTIONS	1,572.78
42618	07/02/2014	COLONIAL FIRST STATE	SUPERANNUATION CONTRIBUTIONS	234.96
42619	07/02/2014	CONCEPT ONE SUPERANNUATION FUND	SUPERANNUATION CONTRIBUTIONS	221.74
42620	07/02/2014	HEALTH INSURANCE FUND OF AUST LTD	PAYROLL DEDUCTIONS	42.75
42621	07/02/2014	HORIZON POWER	ELECTRICITY COSTS - VARIOUS INCL. ADMIN OFFICE KNX - 10/12/13 - 13/01/14	10,658.34
42622	07/02/2014	HOSTPLUS SUPERANNUATION FUND	SUPERANNUATION CONTRIBUTIONS	89.85
42623	07/02/2014	LOCAL GOVERNMENT SUPER	SUPERANNUATION CONTRIBUTIONS	1,090.24
42624	07/02/2014	MLC MASTERKEY PERSONAL SUPER	SUPERANNUATION CONTRIBUTIONS	473.91
42625	07/02/2014	MLC NOMINEES PTY LTD	SUPERANNUATION CONTRIBUTIONS	448.66
42626	07/02/2014	REI SUPER	SUPERANNUATION CONTRIBUTIONS	350.29

42627	07/02/2014	REST SUPER	SUPERANNUATION CONTRIBUTIONS	271.63
42628	07/02/2014	SUNSUPER	SUPERANNUATION CONTRIBUTIONS	791.22
42629	07/02/2014	TELSTRA	LANDLINE COST - NOV 2013 - SHIRE OFFICE KNX	6,082.00
42630	07/02/2014	THE TRUSTEE FOR HEADING SUPER FUND	SUPERANNUATION CONTRIBUTIONS	411.84
42631	07/02/2014	UNISUPER	SUPERANNUATION CONTRIBUTIONS	148.06
42632	07/02/2014	VICSUPER	SUPERANNUATION CONTRIBUTIONS	167.13
42633	07/02/2014	VISION SUPER	SUPERANNUATION CONTRIBUTIONS	3,737.91
42634	07/02/2014	WESTSCHEME	SUPERANNUATION CONTRIBUTIONS	574.96
42635	07/02/2014	WATER CORPORATION SUPERANNUATION	SUPERANNUATION CONTRIBUTIONS	187.27
42636	14/02/2014	AUST COMMUNICATIONS & MEDIA AUTH.	RENEWAL OF VHF RADIO APPARATAS LICENCES 22/2/15	249.00
42637	14/02/2014	DEPARTMENT OF FAHCSIA	REIMBURSEMENT OF AQUITTAL FOR YOUTH SERVICES NETWORK PLANNING	41,589.90
42638	14/02/2014	HORIZON POWER	ELECTRICITY COSTS - VARIOUS INCL. KNX LEISURE CENTRE, EKRA KUNUNURRA	47,929.29
42639	14/02/2014	WATER CORPORATION	WATER USE VARIOUS LOCNS INCL.WYNDHAM CC, KNX LSR CNTR, STAFF HSING	10,854.60
42640	21/02/2014	AMP CORPORATE SUPERANNUATION	SUPERANNUATION CONTRIBUTIONS	207.66
42641	21/02/2014	AMP LIFE LTD	SUPERANNUATION CONTRIBUTIONS	422.06
42642	21/02/2014	AUSTRALIAN SUPER	SUPERANNUATION CONTRIBUTIONS	421.06
42643	21/02/2014	AUSTRALIAN SUPERANNUATION	SUPERANNUATION CONTRIBUTIONS	1,604.80
42644	21/02/2014	CARE SUPER	SUPERANNUATION CONTRIBUTIONS	73.20
42645	21/02/2014	COLONIAL FIRST STATE	SUPERANNUATION CONTRIBUTIONS	239.48
42646	21/02/2014	CONCEPT ONE SUPERANNUATION FUND	SUPERANNUATION CONTRIBUTIONS	221.74
42647	21/02/2014	HEALTH INSURANCE FUND OF AUST LTD	PAYROLL DEDUCTIONS	42.75
42648	21/02/2014	HORIZON POWER	ELECTRICITY - WORKS DEPOT KNX, MESSMATE WAY PUMP KNX	5,049.77
42649	21/02/2014	LOCAL GOVERNMENT SUPER	SUPERANNUATION CONTRIBUTIONS	492.98
42650	21/02/2014	MLC MASTERKEY PERSONAL SUPER	SUPERANNUATION CONTRIBUTIONS	659.34
42651	21/02/2014	MLC NOMINEES PTY LTD	SUPERANNUATION CONTRIBUTIONS	451.08
42652	21/02/2014	MTAA SUPER	SUPERANNUATION CONTRIBUTIONS	73.20
42653	21/02/2014	REI SUPER	SUPERANNUATION CONTRIBUTIONS	350.29
42654	21/02/2014	REST SUPER	SUPERANNUATION CONTRIBUTIONS	335.59
42655	21/02/2014	RAVENSTHORPE COMM. RESOURCE CENTRE	CHILDRENS LIBRARY RESOURCES	22.00
42656	21/02/2014	SUNSUPER	SUPERANNUATION CONTRIBUTIONS	778.06
42657	21/02/2014	TELSTRA	LANDLINE COST - JAN 2014 - SHIRE OFFICE KNX	10,202.53
42658	21/02/2014	THE TRUSTEE FOR HEADING SUPER FUND	SUPERANNUATION CONTRIBUTIONS	407.42
42659	21/02/2014	UNISUPER	SUPERANNUATION CONTRIBUTIONS	148.06
42660	21/02/2014	VICSUPER	SUPERANNUATION CONTRIBUTIONS	250.70

42661	21/02/2014	VISION SUPER	SUPERANNUATION CONTRIBUTIONS	3,905.13
42662	21/02/2014	WESTSCHEME	SUPERANNUATION CONTRIBUTIONS	703.89
42663	21/02/2014	WATER CORPORATION	WATER USE VARIOUS LOCNS INCL. WYNDHAM POOL, WYNDHAM ADMIN OFFICE	7,722.78
42664	21/02/2014	WATER CORPORATION SUPERANNUATION	SUPERANNUATION CONTRIBUTIONS	187.27
42665	28/02/2014	AE KING & JLE KING	RATES REFUND FOR ASSESSMENT A1246 26 IRONWOOD DRIVE KNX	1,307.68
42666	28/02/2014	AVIS AUSTRALIA	RATES REFUND FOR ASSESSMENT A5982 LOT 327 VICTORIA HIGHWAY KNX	1,203.77
42667	28/02/2014	CAROLD HOLDINGS PTY LTD	RATES REFUND FOR ASSESSMENT A1062 21 POINCIANA STREET KNX	335.61
42668	28/02/2014	COURTNEY MCNEILL	RATES REFUND FOR ASSESSMENT A263 2 O'DONNELL STREET WYNDHAM	633.15
42669	28/02/2014	DEPARTMENT OF EDUCATION	RATES REFUND FOR ASSESSMENT A7697 3 WELCH STREET WYNDHAM	724.05
42670	28/02/2014	DELTA SANTANOL PTY LTD	RATES REFUND FOR ASSESSMENT A7790 LOT 416 RESEARCH STATION ROAD KNX	520.00
42671	28/02/2014	HORIZON POWER	ELEC. VARIOUS INCL. KNX ADMIN OFFICE, WYN REC CNTR - 13/11/13 - 21/1/14	7,569.20
42672	28/02/2014	KIMBERLEY LAND HOLDINGS PTY LTD	RATES REFUND FOR ASSESSMENT A7669 16 BANDICOOT DRIVE KNX	2,380.23
42673	28/02/2014	LYMA PTY LTD	RATES REFUND FOR ASSESSMENT A3103 3 KONKERBERRY DRIVE KNX	574.86
42674	28/02/2014	MICHAEL JOHN BOWLES	RATES REFUND FOR ASSESSMENT A7677 UNIT B 24 BULLRUN RD KNX	132.35
42675	28/02/2014	REST SUPER	SUPERANNUATION CONTRIBUTIONS	223.75
42676	28/02/2014	REDLUM CORPORATION PTY LTD	RATES REFUND FOR ASSESSMENT A1143 144 KONKERBERRY DVE KNX	216.52
42677	28/02/2014	RIO TINTO EXPLORATION PTY LTD	RATES REFUND FOR ASSESSMENT A7780 MINING TENEMENT E04/02268	841.44
42678	28/02/2014	SEA VIEW ORTHOTIC SERVICE	PRODUCT CODE - LP20305V - HELPING HANDS	432.30
42679	28/02/2014	THUNDELARRA LIMITED	RATES REFUND FOR ASSESSMENT A7117 MINING TENEMENT E80/3800	1,223.50
42680	28/02/2014	TIMOTHY BOND	RATES REFUND FOR ASSESSMENT A7345 LOT 112 BERKELEY CRESCENT KNX	501.87
42681	28/02/2014	WATTLEUP TRACTORS	P351 MASSEY FERGUSON 4225 TRACTOR - PARTS	1,090.60
42682	28/02/2014	YUGUANG (AUSTRALIA) PTY LTD	RATES REFUND FOR ASSESSMENT A2307 MINING TENEMENT E80/01187	462.21
TOTAL MUNI CHEQUE PAYMENTS				188,429.81

CHQ/EFT	DATE	NAME	DESCRIPTION	AMOUNT
631	03/02/2014	KUNUNURRA POOLS & SPAS	BOND REFUND -FOOTPATH - BL. NO 135/2011	500.00
632	07/02/2014	DESLEY GALLAGHER	REFUND - HIRE & KEY BOND	270.00
633	07/02/2014	JOHNATHON JOHNSON	REFUND - HIRE & KEY BOND	270.00
TOTAL TRUST CHEQUE PAYMENTS				1,040.00

CHQ/EFT	DATE	NAME	DESCRIPTION	AMOUNT
500634	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 2/1/14	185.60
500635	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 3/1/14	1,349.15

500636	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 6/1/14	383.10
500637	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 7/1/14	185.50
500638	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 8/1/14	943.75
500639	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 9/1/14	364.50
500640	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 10/1/14	24.00
500641	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 13/1/14	3,027.00
500642	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 14/1/14	335.20
500643	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 15/1/14	915.95
500644	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 16/1/14	1,817.85
500645	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 17/1/14	1,851.85
500646	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 20/1/14	407.30
500647	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 21/1/14	250.30
500648	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 22/1/14	51.80
500649	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 23/1/14	388.15
500650	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 24/1/14	531.75
500651	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 29/1/14	1,709.20
500652	01/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 30/1/14	548.00
500653	02/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 31/1/14	1,255.40
500654	03/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 3/2/14	370.10
500655	04/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 4/2/14	361.80
500656	05/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 5/2/14	1,839.90
500657	06/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 6/2/14	1,487.75
500658	10/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 10/2/14	415.50
500659	11/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 11/2/14	70.80
500660	12/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 12/2/14	115.30
500661	13/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 13/2/14	489.50
500662	14/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 14/2/14	334.65
500663	17/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 17/2/14	776.20
500664	19/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 19/2/14	1,735.65
500665	20/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 20/2/14	1,160.40
500666	21/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 21/2/14	3,863.80
500667	24/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 24/2/14	408.75
500668	25/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 25/2/14	647.75
500669	26/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 26/2/14	447.15

500670	27/02/2014	TRUST DPI CLEARING	TRANSPORT CLEARING 27/2/14	419.10
TOTAL TRANSPORT EFT PAYMENTS				31,469.45

CHQ/EFT	DATE	NAME	DESCRIPTION	AMOUNT
	5/02/2014	PAYROLL	PAYROLL	234,015.71
	17/02/2014	PAYROLL	PAYROLL	5,248.57
	19/02/2014	PAYROLL	PAYROLL	256,536.30
TOTAL PAYROLL PAYMENTS				495,800.58

CHQ/EFT	DATE	NAME	DESCRIPTION	AMOUNT
	3/02/2014	DIRECT DEBIT	FEE - BPAY	234.14
	3/02/2014	DIRECT DEBIT	BANK FEES	202.92
	3/02/2014	DIRECT DEBIT	LEASE COSTS - 11 KWINANA STREET WYNDHAM	1,441.00
	4/02/2014	DIRECT DEBIT	LEASE COSTS - 9B PLUM COURT KUNUNURRA	1,380.50
	10/02/2014	DIRECT DEBIT	LEASE COSTS - 5 RATTLEPOD CLOSE KUNUNURRA	2,946.66
	10/02/2014	DIRECT DEBIT	LEASE COSTS - 38 GARDENIA DRIVE KUNUNURRA	3,606.55
	20/02/2014	DIRECT DEBIT	PERIODICAL PAYMENT TO MASTERCARD	3,679.97
	18/02/2014	DIRECT DEBIT	LEASE COSTS - 9B PLUM COURT KUNUNURRA	1,380.50
	27/02/2014	DIRECT DEBIT	LEASE COSTS 17/33 KONKERBERRY DRIVE KUNUNURRA	2,253.33
	28/02/2014	DIRECT DEBIT	LEASE COSTS - LOT 2433 (REAR) 60 COOLIBAH DRIVE KUNUNURRA	2,383.33
	28/02/2014	DIRECT DEBIT	BANK FEES	24.00
	28/02/2014	DIRECT DEBIT	FEE - BPAY	545.03
TOTAL DIRECT DEBIT PAYMENTS				20,077.93

13.4 INFRASTRUCTURE

13.4.1 Asphalt Program 2014

DATE:	25 March 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Various Kununurra Town Roads
AUTHOR:	Peter Kerp, Manager Engineering Services
REPORTING OFFICER:	Kevin Hannagan, Director Infrastructure
FILE NO:	RD.07.01

PURPOSE

To seek Council approval to commit funds from the 2014/2015 budget to commence an asphalt resurfacing program in Kununurra town site prior to 1 July 2014.

BACKGROUND

The Shire has a current contract for supply of Hot Mix Asphalt with BGC Australia. The Shire is proposing that their mobile plant be located in the Shire's Weero Road 'gravel pit'. BGC have received approvals from Department of Environment and Regulation to operate from this location.

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

Councillors have asked Infrastructure staff to explain the costs associated with using asphalt rather than the traditional use of a chip seal, given the higher cost of asphalt. The benefits of using asphalt rather than a spray chip seal are discussed in the Conclusion section of this report.

The financial implications related to the use of asphalt versus chip seal is best explained using an explanation of costs using a project that Shire Officers propose to use asphalt for rather than chip seal. Erythrina Street reconstruction and seal (\$800,000 budget 2013/2014) is a good example.

Given the historical failure of previous pavement reconstruction of Erythrina Street, Infrastructure staff engaged Golder Associates to undertake a geotechnical investigation to determine the best pavement design given the in-situ ground conditions.

Golder's recommendation for reconstruction of Erythrina Street is to win and stockpile the top 100mm layer close to site for recycling as sub-base after the bottom 165mm layer is excavated from the pavement and removed from site. The previously won top 100mm layer is re-laid and a fresh layer of 165mm laid on top before being worked with a recommended percentage of General Purpose cement, mixed and worked to a depth of

265mm before an application of 'double-double' bitumen spray seal (to water seal the base) followed by asphalt overlay.

The use of asphalt will mean the additional cost over chip seal as follows:

- Proportion of mobilisation & camp costs related to asphalt machinery = \$28,000
- Additional cost difference between asphalt over chip seal (\$134,820 vs \$37,800) = \$97,020

This project is funded two thirds by Main Roads WA, Regional Road Group and one third by the Shire. Therefore the additional cost to Shire funds in using asphalt will be (\$125,020 x .333) \$41,673. For the additional life of asphalt over chip seal of approximately 10 years this represents an additional \$4,167.30 per annum.

COMMUNITY CONSULTATION

Not Applicable

COMMENT

Cement stabilisation was not used in the previous reconstruction of Erythrina Street.

Cement stabilisation is adding a strengthening additive such as Hydrated Lime or General Purpose Cement to granular road building material already present in the road pavement. Cement stabilisation is used widely in the construction of new roads and the rehabilitation or recycling of existing roads. It is used in response to increasing traffic volumes and axle loadings that contribute to permanent pavement failures. The application of cement additive / binder is performed by specialised machines to ensure the volume or weight by percentage of the binder / additive is controlled when being added to the granular road material.

Cement stabilisation prevents the road being accessed by the motoring public by use of road detours during its operations as it involves the cement stabilisation unit, grader, water trucks and rollers working the road pavement. Property access is maintained under controlled measures but can be frustrating to property owners due to the time taken for cement to cure. Additionally if not performed by a skilled workforce, defects will not be easily identified until after the construction team has departed leaving a potential road pavement failure to occur at any time.

A road building target of 30m linear length per day is considered a reasonable achievement so a 500m section of road will take around 17 working days. Double-double bitumen spray seal is generally applied as the road pavement wearing course, and can range between 17mm to 24mm thickness depending upon the stone aggregate size applied after bitumen spray run.

The mobile asphalt plant proposed produces around 200 tonnes per day which is equivalent to 3000m² road area or 400m linear metres of road length per day.

Hot mix Asphalt (HMA) provides a durable, safe, smooth, long-lasting roadway without expensive and time-consuming and traffic-disruption during construction. HMA overlays are the cost effective solutions to pavement preservation primarily because of their ability to:

- Provide improved road quality
- Reduce surface distresses

- Maintain surface geometrics
- Reduce noise levels
- Provide long-lasting life (25years vs 15years)

The other advantage is flexibility in construction activities, thus minimising the impact on motorists, residents, and businesses as it reduces construction time to 2 or 3 days.

HMA is porous but retaining the existing bitumen wearing course will maintain the roadway's water proofing capability.

HMA overlays have a longer expected life than other treatments although the costs are higher, such as stone chip seals. However, when that is divided over the expected life, the HMA overlay option is the most cost effective.

Asphalt is a viable alternative for use in Kununurra on high trafficked road components such as Messmate Way Roundabout, Konkerberry Drive, Coolibah Drive, Erythrina Street and Messmate Way. The issue is to ensure there is enough work at the one time to spread the mobilisation costs across a number of projects.

The Shire has within its 2013/2014 budget the following projects:

- Messmate Way Roundabout reconstruction \$420,000
- Erythrina Street reconstruction, \$800,000,
- Kununurra Airport, Runway Asphalt Overlay, \$2,850,000.

A large contract amount would make it more likely that the contractor would actually turn up on the proposed date. The Shire has previously experienced difficulty with reliability of contractors as our programs are not large enough to be a priority. BGC have advised they propose to be in Kununurra mid-June to undertake the work in the 2013/2014 budget. At this stage this date has only been tentatively 'pencilled in' in their schedules as the Shire has not raised Purchase Orders confirming the order for asphalt works due to a pavement engineering report being required on the Kununurra Airport first.

At the time of compiling the budget it was proposed to align work with works on the airport runway which also required resurfacing (albeit a different compound mix than road asphalt) to enable spreading of mobilisation costs and ensuring a large enough amount of work. The GHD Pavement Engineering Consultants have now recommended an enrichment overlay of the airport runways this year and asphalt overlay next year. This will now affect the cost of the remaining projects which will bear the full additional mobilisation costs (approx. \$100,000) and the reliability of when the contractors will actually arrive is unknown.

A compounding problem is that the remaining two projects have funding from the Main Roads WA, Regional Roads Group (completion date 30 June 2014) and the State Government has recently reduced Local Government's funding by \$70m due to Local Government not delivering their projects on time. The Shire's future Main Roads WA Regional Roads Group funding may be compromised if the Shire does not deliver.

The Shire has had advice from the Main Roads WA, Regional Roads Group that its 2014/2015 funding application (funded 2/3 Main Roads WA & 1/3 Shire Wyndham East Kimberley) for a \$963,000 (section of Coolibah Drive), asphalt project will be recommended to the May State Budget for funding in 2014/2015.

Furthermore the Shire has received advice from the Federal Governments R2R funding body (100% Federally funded) that recommended funding of \$574,000 p.a. for 5 years will

also go to the May Federal Budget for funding commencing 2014/2015. It is proposed to use the 2014/2015 funding of \$574,000 for asphaltting a section of Konkerberry Drive.

These two 2014/2015 projects added to the Shires remaining two 2013/2014 projects are of a size to ensure the arrival of the contractor in mid-June to commence asphalt work and enable sharing of mobilisation costs.

The issue is that Shire staff cannot issue Purchase Orders to the contractor to 'lock in' our order as the Shire will not adopt its 2014/2015 budget until August 2014. The risk of State and Federal Governments not approving the budgets is very minor.

ATTACHMENTS

There are no attachments associated with this report.

VOTING REQUIREMENT

Absolute Majority

OFFICER'S RECOMMENDATION

That Council:

- 1) Supports the asphalt resurfacing program in Kununurra town site (to be scheduled for commencement in June 2014) as Hot Mix Asphalt overlay is the most cost effective solution for pavement preservation in relation to larger scale high traffic projects.
- 2) Commits the Shire 2014/2015 budget for its contribution towards 2014/2015 grant funding as outlined in this report; and
- 3) Approves the Chief Executive Officer raising Purchase Orders for BGC Australia as outlined in this report.

Motion

Cr D Spackman moved that Council defers the item until the officer provides the following to Council:

- 1) Officer to investigate and report back to briefing session to allow informed decision on comparison costs for Messmate Way roundabout reconstruction
- 2) Price comparison on concrete brick and asphalt options
- 3) Erythrina St full reconstruction price comparison
- 4) Minimum standard guidelines need to be used for rural road design, construction and technical specs as per manual SWEK October 2006
- 5) Tar-subsoil drainage and stabilisation costs versus, asphalt – subsoil drainage and stabilisation costs.

COUNCIL DECISION

Minute No. 10355

Moved: Cr D Spackman

Seconded: Cr K Wright

That Council defers the item until the officer provides the following to Council:

- 1) Officer to investigate and report back to briefing session to allow informed decision on comparison costs for Messmate Way roundabout reconstruction**
- 2) Price comparison on concrete brick and asphalt options**
- 3) Erythrina Street full reconstruction price comparison**
- 4) Minimum standard guidelines need to be used for rural road design, construction and technical specs as per manual SWEK October 2006**
- 5) Tar-subsoil drainage and stabilisation costs versus, asphalt – subsoil drainage and stabilisation costs.**

Lost 2/7

For: Cr D Spackman, Cr K Wright

Against: Cr J Moulden, Cr R Dessert, Cr D Learbuch, Cr B Robinson, Cr S Cooke, Cr G Taylor, Cr G King

MOTION

Cr S Cooke moved that as per the Officers' recommendation Council:

- 1) Supports the asphalt resurfacing program in Kununurra town site (to be scheduled for commencement in June 2014) as Hot Mix Asphalt overlay is the most cost effective solution for pavement preservation in relation to larger scale high traffic projects;**
- 2) Commits the Shire 2014/2015 budget for its contribution towards 2014/2015 grant funding as outlined in this report; and**
- 3) Approves the Chief Executive Officer raising Purchase Orders for BGC Australia as outlined in this report.**

COUNCIL DECISION

Minute No. 10356

Moved: Cr S Cooke

Seconded: Cr B Robinson

That Council:

- 1) Supports the asphalt resurfacing program in Kununurra town site (to be scheduled for commencement in June 2014) as Hot Mix Asphalt overlay is the most cost effective solution for pavement preservation in relation to larger scale high traffic projects;**
- 2) Commits the Shire 2014/2015 budget for its contribution towards 2014/2015 grant funding as outlined in this report; and**
- 3) Approves the Chief Executive Officer raising Purchase Orders for BGC Australia as outlined in this report.**

Carried 8/1

For: Cr K Wright, Cr J Moulden, Cr R Dessert, Cr D Learbuch, Cr B Robinson, Cr S Cooke, Cr G Taylor, Cr G King
Against: Cr D Spackman

13.4.2 RADS 2013 – 2015 Submissions – Asphalt Overlay

Kununurra Runway 12/30

DATE:	25 March 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Kununurra Regional Airport
AUTHOR:	Peter Kerp, Manager Engineering Services
REPORTING OFFICER:	Kevin Hannagan, Director Infrastructure
FILE NO:	TT.07.3

PURPOSE

To inform Council of the GHD Pavement Strength Evaluation Report on Runway 12/30 Kununurra Airport and of the additional funds sought from both RADS and SWEK to complete staged works in accordance with Option 2 of the GHD Report.

BACKGROUND

The Shire was successful with Regional Airports Development Scheme (RADS) 2013-2015 grant of \$1,617,759 with equal contribution of \$1,617,759 from SWEK. RADS grant was broken into two delivery stages:

- ☐ Stage 1 Undertake Geotechnical Pavement Evaluation and Strength Analysis; and
- ☐ Stage 2 Pre-treatments of crack band seal and asphalt overlay.

The completion date for the delivery of the project signed in accordance with the Funding Agreement between Minister for Transport and Shire Wyndham East Kimberley is 18 May 2015.

The commissioning of GHD to undertake a strength evaluation study of the existing runway came from the East Kimberley Regional Airport Master Plan dated January 2013 undertaken by Rehbein Airport Consulting. The Master Plan recommended a detailed assessment of the existing runway to ascertain the nature of strengthening works, and whether the future use of the existing runway to accommodate larger aircraft is feasible.

The purpose of the investigation by GHD was to assess the bearing strength of the runway pavement on current and future traffic and to also identify any weaknesses in the pavement substructure. The outcome of this report is to provide information to assist the Shire in the remediation works moving forward.

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

Revised estimate is \$5,100,000 which is an additional \$1,864,482 of which RADS increase would be \$932,241 and similarly SWEK's.

The revised completion date will be pushed out to 31 August 2015, from the current 18 May 2015. As the project is staged over three financial years it will ease the cash flow of both State Government and Shire with estimated expenditures in each of the three financial years as follows:

2013/2014 financial year - Total \$170,000

1. GHD Evaluation Report \$110,000
2. Crack band seal 7.5m outer runway shoulders \$60,000

2014/2015 financial year – Total \$300,000

1. 7mm spray seal full runway area \$300,000

2015/2016 financial year – Total \$4,630,000

1. Supply and lay 60mm runway asphalt mix design \$4,465,000
(Including mobilisation/demobilisation; accommodation asphalt crew; lighting towers)
2. Grooves \$70,000
3. Level survey set-out for asphalt \$20,000
4. Survey runway line markings \$5,000
5. Install runway line markings \$70,000

Additional funds of \$932,241 are required to be committed from Council to cover the expenditure in 2015/16 financial year. The additional funds can be sourced from the Airport Reserve Account.

COMMUNITY CONSULTATION

Not Applicable

COMMENT

Of the three options presented in the GHD Report, Option 2 is the preferred option as it delays the asphalt overlay by 12 months by allowing airport operations to monitor the pre-treatments of crack band sealing and 7mm aggregate spray seal over that 12 month period prior to the placement of final wearing asphalt overlay course. Another positive is that it eases the cash flow of both the State Government and SWEK over three financial years.

Crack band sealing of the outer 7.5m runway shoulders is underway now prior to application of a spray seal. The application of a 7mm aggregate spray seal is scheduled for June/July 2014. It will be necessary to call public tenders for the application of spray seal by a reputable and competent spray seal contractor.

GHD made reference in their report an asphalt overlay would need to be placed as a 60mm layer and then the surface grooved to improve skid resistance in wet conditions. The original estimate in the RADS submission was a 50mm layer and specification of Main Roads WA Intersection Mix, 'road' asphalt design mix.

GHD advise there are obvious differences between roads and airfield pavements and therefore should have differing design requirements. It is often found that the more dominant market leader in flexible pavements is the roads field and designs tend to be transferred blindly from this field to that of airfields with little consideration for the actual operating and performance differences between the two. This design philosophy is proving unacceptable in light of recent trends for increasing aircraft traffic volumes, wheel

loads and tyre pressures, particularly for pavements located in climates with high field temperatures we have in the Kimberley.

GHD recommend a deliberate shift away from the implicit “roads mentality” and produce a denser and bitumen richer mix for improved resistance to ageing, rutting and related environmental distress.

Original RADS estimate of \$3,235,518 is insufficient to accommodate the stiffer and thicker runway asphalt mix design and groove cut across the entire runway area. It is paramount that ‘airfield’ runway asphalt mix design is placed in lieu of the original ‘road’ asphalt mix design in the RADS submission for the reasons above.

Due to the nature of aircraft movements are generally during daylight hours it is proposed to place the designed quantity of asphalt during overnight closures. It is anticipated the operation of placing the quantity of asphalt will take approximately 23 nights (this will be dependent upon the successful tenderer and production capacity of their mobile asphalt plant). Mobile asphalt plants currently floating around WA are in the range of 40-100tonnes per hour. Should a larger mobile asphalt plant similar to the one that undertook asphalt overlay at Broome airport in late 2013 which was 600tonnes per hour, would result in considerable less number of night closures. Acquisition of a larger mobile asphalt plant may need to be sourced from the eastern states and would be a very high mobilisation/demobilisation cost but reduction in accommodation expenses for asphalt crew as asphalt would be placed lot quicker – one cost basically offsets the other.

Manager Engineering Services has contacted RADS in respect to seeking additional RADS funds and extension of time to complete the project. RADS was favourable to the SWEK situation and instructed a formal request be submitted to them detailing the revised costs, reasons for increase in costs and revised completion date for their consideration of additional funds being considered. RADS have requested the Shire submit a letter seeking consideration of the additional funds by week ending Friday 28 February 2014. Copy attached of Chief Executive Officer’s letter to Aviation Branch, Department of Transport.

Of the three options presented in the GHD Report, Option 2 is the preferred option as it delays the asphalt overlay by 12 months by allowing airport operations to monitor the pre-treatments of crack band sealing and 7mm aggregate spray seal over that 12 month period prior to the placement of final wearing asphalt overlay course. Another positive is that it eases the cash flow of both the State Government and SWEK over three financial years.

Crack band sealing of the outer 7.5m runway shoulders is underway now prior to application of a spray seal. The application of a 7mm aggregate spray seal is scheduled for June/July 2014. It will be necessary to call public tenders for the application of spray seal by a reputable and competent spray seal contractor.

GHD made reference in their report an asphalt overlay would need to be placed as a 60mm layer and then the surface grooved to improve skid resistance in wet conditions. The original estimate in the RADS submission was a 50mm layer and specification of Main Roads WA Intersection Mix, ‘road’ asphalt design mix.

GHD advise there are obvious differences between roads and airfield pavements and therefore should have differing design requirements. It is often found that the more dominant market leader in flexible pavements is the roads field and designs tend to be transferred blindly from this field to that of airfields with little consideration for the actual operating and performance differences between the two. This design philosophy is proving unacceptable in light of recent trends for increasing aircraft traffic volumes, wheel

loads and tyre pressures, particularly for pavements located in climates with high field temperatures we have in the Kimberley.

GHD recommend a deliberate shift away from the implicit “roads mentality” and produce a denser and bitumen richer mix for improved resistance to ageing, rutting and related environmental distress.

Original RADS estimate of \$3,235,518 is insufficient to accommodate the stiffer and thicker runway asphalt mix design and groove cut across the entire runway area. It is paramount that ‘airfield’ runway asphalt mix design is placed in lieu of the original ‘road’ asphalt mix design in the RADS submission for the reasons above.

Due to the nature of aircraft movements are generally during daylight hours it is proposed to place the designed quantity of asphalt during overnight closures. It is anticipated the operation of placing the quantity of asphalt will take approximately 23 nights (this will be dependent upon the successful tenderer and production capacity of their mobile asphalt plant). Mobile asphalt plants currently floating around WA are in the range of 40-100tonnes per hour. Should a larger mobile asphalt plant similar to the one that undertook asphalt overlay at Broome airport in late 2013 which was 600tonnes per hour, would result in considerable less number of night closures. Acquisition of a larger mobile asphalt plant may need to be sourced from the eastern states and would be a very high mobilisation/demobilisation cost but reduction in accommodation expenses for asphalt crew as asphalt would be placed lot quicker – one cost basically offsets the other.

Manager Engineering Services has contacted RADS in respect to seeking additional RADS funds and extension of time to complete the project. RADS was favourable to the SWEK situation and instructed a formal request be submitted to them detailing the revised costs, reasons for increase in costs and revised completion date for their consideration of additional funds being considered. RADS have requested the Shire submit a letter seeking consideration of the additional funds by week ending Friday 28 February 2014. Copy attached of Chief Executive Officer’s letter to Aviation Branch, Department of Transport.

Estimated expenditure in 2014/2015 includes a 15% contingency for continued rolling of bituminous seal of the outer 7.5m runway shoulders after the construction period during the 12 months monitoring phase prior to the placement of the 60mm asphalt layer. This operation is necessary to continue to embed the stone into the bitumen, and to ‘work’ the bitumen around the stone. On ‘roads’, 20% of the necessary rolling is done at the time of construction, and the remaining 80% is provided by traffic. On runways, the traffic is much less than on roads, and more rolling is designed to be done at construction (although the reality is that it is not). The remainder of the rolling needed to “keep the bitumen alive” should be provided by maintenance rolling by the airport during the first year of life of the seal, to augment the small amount by aircraft traffic.

It should be noted that RADS 2013-2015 funding allocation is across 34 projects around WA and the allocation to SWEK of \$1,617,759 is the largest. Majority of other projects range between \$7,500 and \$140,000 with the exception of Shire of Carnarvon being recipient of \$569,670. The Shire’s request for additional RADS funds is considered favourable as SWEK is contributing 50% of the project cost. Projects that are requested 100% RADS funded have a much more difficult path through the Aviation Branch assessment process.

There are no known drainage issues present on runway 12/30 that will have any detrimental effect on the proposed design. However, there are known sink holes occurring on the grass area off the runway strip known as “Gilgai” holes. These Gilgai’s occur due

to the expansive nature of natural clay soils present in the ground. GHD engineers were engaged at the same time as the runway pavement evaluation report to investigate the sink holes and to recommend a course of action to mitigate future operational work methodologies. The Gilgai do not present any hazard to the works proposed on runway 12/30.

This GHD Gilgai report will be presented to Councillors April's briefing session to inform Councillors of the report's findings and proposed actions.

ATTACHMENTS

There are no attachments associated with this report.

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council:

- 1) Receives the GHD Pavement Strength Evaluation Report Runway 12/30;
- 2) Endorses Option 2 of performing works over a staged 3 year period incorporating crack band sealing, 7mm aggregate seal on outer sections of runway, followed by 60mm compacted thickness runway Hot Mix Asphalt design over runway 12/30;
- 3) Endorses the Chief Executive Officers action in writing to RADS and requesting additional funding of \$932,241 as per this report, and
- 4) The additional funds of \$932,241 transferred from Airport Reserve Account to the Capital Account in the 2015/2016 budget to match RADS funding.

COUNCIL DECISION

Minute No. 10357

Moved: Cr G Taylor

Seconded: Cr D Learbuch

That Council:

- 1) Receives the GHD Pavement Strength Evaluation Report Runway 12/30;**
- 2) Endorses Option 2 of performing works over a staged 3 year period incorporating crack band sealing, 7mm aggregate seal on outer sections of runway, followed by 60mm compacted thickness runway Hot Mix Asphalt design over runway 12/30;**
- 3) Endorses the Chief Executive Officers action in writing to RADS and requesting additional funding of \$932,241 as per this report, and**
- 4) The additional funds of \$932,241 transferred from Airport Reserve Account to the Capital Account in the 2015/2016 budget to match RADS funding.**

Carried Unanimously 9/0

13.4.3 Request for Waiver of Waste Fees and Charges

DATE:	25 March 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	N/A
AUTHOR:	Kevin Hannagan, Director Infrastructure
REPORTING OFFICER:	Kevin Hannagan, Director Infrastructure
FILE NO:	WM.05.2

PURPOSE

For Council to consider a request from Government of Western Australia Agency, Corrective Services, Kununurra for waiver of Council's Waste, Fees and Charges for Community Projects.

BACKGROUND

The Shire has adopted a 'user pays' approach to waste management setting fees and charges on a 'whole of life cycle' cost basis.

The Kununurra Corrective Services Agency (Adult Community Corrections) has provided a 'community service' using workers from the Adult Community Corrections. Attached is a copy of the letter from the Department of Corrective Services, Kununurra outlining the current services provided in Kununurra for community based clubs and not for profit organisations.

The Department of Corrective Services, Kununurra currently runs its activities for the Ski Club, Picture Gardens and assist Department of Environmental Health when they can with community projects such as constructing ramps on homes for wheelchair bound people. During the course of this community service work they do collect rubbish and green waste which is to be disposed of.

Whilst it is acknowledged there is some service provided to these organisations there is the question of benefits to the Shire in Kununurra.

The Department Corrective Services (Adult Community Corrections) is asking the Shire to assist by allowing access at no charge to the Kununurra Landfill site. They have requested provision of a tip pass per week or access as needed to dispose of green waste and rubbish collected during their community work. They predict the amount of green waste and rubbish would amount to no more than one trailer load per week.

STATUTORY IMPLICATIONS

6.12. Power to defer, grant discounts, waive or write off debts

- 1) Subject to subsection (2) and any other written law, a local government may —
 - a) when adopting the annual budget, grant* a discount or other incentive for the early payment of any amount of money; or
 - b) waive or grant concessions in relation to any amount of money; or
 - c) write off any amount of money,
which is owed to the local government.

* *Absolute majority required.*

POLICY IMPLICATIONS

Council needs to ensure that it does not create 'precedent' Policy implications.

FINANCIAL IMPLICATIONS

The cost of a tip pass for trailer load is \$38.50. Therefore the Shire would forego approximately \$2,000 p.a. in gate fees at the landfill.

COMMUNITY CONSULTATION

Community consultation is not required in relation to this item.

COMMENT

The Shire is receiving no benefit from Corrective Services but it is requesting the Shire to benefit their services provided to other organisations and State Agencies. As such it is proposed that a suitable list of known locations where rubbish is generated on Shire land that they could also clean for example; Link Path, Lily Creek Lagoon.

The Shire needs to ensure that the State Government Waste from the Department of Corrective Services will not be deposited with the 'community service' generated waste if Council agrees to a fee waiver. This situation is different than the previous Wyndham Work Camp as Corrective Services are located within the State Government complex near Messmate Way and their waste is removed as part of normal waste services for the site.

The Shire would also need to monitor actual litter clean ups to ensure that it is receiving the service offered for waiver of fess.

ATTACHMENTS

Attachment 1 – Letter Department Corrective Services, Kununurra

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council advise the Department of Corrective Services that:

- 1) The Lilly Creek Lagoon footbridge of the Link Path be included in the community service provided by the department,
- 2) 26 weekly Tip Passes (for an initial 6 month trial period) for a weekly 6x4 trailer load will be issued at no cost,
- 3) A quarterly report be provided to the Director Infrastructure outlining actual community projects undertaken by Corrective Service program, and
- 4) Further weekly Tip Passes may be issued by the Director Infrastructure beyond the initial six month period, dependent on quarterly reports provided for the previous period.

COUNCIL DECISION

Minute No. 10358

Moved: Cr B Robinson

Seconded: Cr D Learbuch

That Council advise the Department of Corrective Services that:

- 1) The Lilly Creek Lagoon footbridge of the Link Path be included in the community service provided by the department,**
- 2) 26 weekly Tip Passes (for an initial 6 month trial period) for a weekly 6x4 trailer load will be issued at no cost,**
- 3) A quarterly report be provided to the Director Infrastructure outlining actual community projects undertaken by Corrective Service program, and**
- 4) Further weekly Tip Passes may be issued by the Director Infrastructure beyond the initial six month period, dependent on quarterly reports provided for the previous period.**

Carried Unanimously 9/0



Level 1, State Government Offices
Cnr Konkerberry Drive and Messmate Way
Kununurra Western Australia 6743
PO Box 222, Kununurra WA 6743
Tel: (08) 9169 1155 Fax: (08) 9169 1145
Free call: 1800 247 023

To: Shire Wyndham East Kimberley

Adult Community Corrections oversees offenders placed on Community work orders by the courts and offenders required to do community work to pay off outstanding fines.

The work they carry out is for Community based clubs and not for profit organisations and must meet strict criteria of being of benefit to the wider community to qualify. Presently we carry out work for the Ski Club, the Picture Gardens and assist Environmental Health when we can with community projects such as constructing ramps on homes for people in wheel chairs. We will also be taking on the Knx Moto X Club in the near future to assist them with a range of maintenance and repair works to reduce the demands on the parents and volunteers at the club.

During the course of the work we do the offenders also collect rubbish and green waste from in around the project locations. As this then needs to be disposed of, Adult Community Corrections is asking the Shire to assist by allowing access to the landfill site. By way of one tip pass per week or an open as needed ability to dispose of the green waste and rubbish collected in the course of doing the community work. On average we predict it would amount to no more than one trailer load per week. This would be carried out by the Community Work Supervisor with the assistance of the offenders.

If the Shire could assist us with this request it would be greatly appreciated.

Regards
Diane Hermans
ACCO
Kununurra Adult Community Corrections
Department of Corrective Services
Diane.hermans@correctiveservices.wa.gov.au

13.5 COMMUNITY DEVELOPMENT

13.5.1 Northwest Airboats Pty – Helicopter Proposal

DATE:	25 March 2014
PROPONENT:	Hugh Walsh
LOCATION:	Reserve 41812
AUTHOR:	Elle Davidson, Planning Officer
REPORTING OFFICER:	Wayne Richards, Acting Director Community Development
FILE NO:	A2860P

PURPOSE

For Council to consider the operation of helicopter company, Northwest Airboats Pty, within the Shire's foreshore Reserve (41812), adjacent to Messmate Way.

BACKGROUND

An enquiry for the use of a portion of Foreshore and Recreation Reserve 41812 was lodged on 18 February 2014 by Hugh Walsh of Northwest Airboats Pty aimed at the operation of scenic flights during the dry season from Kununurra.

The area is located on Foreshore Reserve 41812 located along Lily Lagoon and the applicant proposes to use a portion of this reserve. The land is zoned Special Foreshore under Town Planning Scheme No. 7 - Kununurra and Environs (TPS7) and the proposed landing area is located in proximity to an existing pump house.



Proposal

The applicant proposes to utilize the area for the pick-up and set-down of helicopter passengers and the temporary placement of a check in desk and tent, which will be taken down after the last flight of the day.

Peter Friel, the Shire's Airport Manager, has stated that CASA has no regulatory issue with the use of a helicopter landing site, however the applicant will need to demonstrate through his safety management system, what risk assessment he has undertaken in respect to this site, insurances and any identified risks should have mitigation procedures in place.

Advice provided by Peter Kerp, the Shire's Manager of Engineering Services, has concluded that the proposal is not supportable due to the existing facilities at the airport being located in close proximity, which provides more suitable and safe sites for take offs and landings. Additionally, the proposal may cause distractions to motorists along Victoria Highway and Messmate Way.

STATUTORY IMPLICATIONS

Town Planning Scheme No.7 Kununurra and Environs

TPS7 states that the objectives of the Special Foreshore Reserve are to:

Identify and protect those foreshore areas that have special conservation values particularly in regard to flora and fauna values and ensuring that areas of significance are ultimately identified and recorded through appropriate studies.

Under section 2.2 of TPS7 the following guidelines are provided for the assessment of applications within reserves:

Where an application for Planning Approval is made with respect to land within a Reserve, the Council shall have regard to the ultimate purpose of the Reserve.

POLICY IMPLICATIONS

No policy implications apply in the preparation of this report.

FINANCIAL IMPLICATIONS

No financial implications apply in the preparation of this report.

STRATEGIC IMPLICATIONS

The Lake Kununurra Foreshore and Aquatic Use Plan states the objectives of Lily Creek Lagoon are to:

- *To ensure land tenure correlates with land use.*
- *To maintain existing, yet also expand and improve recreational opportunities and increase public access to the foreshore.*
- *To carry out thorough planning through use of Development Plans for specific key locations.*
- *To remove Cumbungi and other aquatic vegetation in areas identified as requiring control.*

- *To provide for areas of conservation.*
- *To ensure all development shall be consistent with the Foreshore Development Guidelines and designed to be sympathetic to the natural values of the foreshore.*

It is also specified in the Foreshore plan to develop and plan the portion of foreshore at the end of Messmate Way for the purpose of launching and retrieving non-motorised tourist vessels and public water craft with the option to licence (not lease) to commercial enterprise. Should any development occur within this area, it is recommended that it is freely accessible to the public and designed and located to be sympathetic to the natural values of the foreshore.

COMMUNITY CONSULTATION

No community consultation implications apply in the preparation of this report.

COMMENT

The Foreshore Reserve is intended to be utilised for water based tourism purposes with minimal impact. Approving the current application in this zone may affect the use of this area for tourism by the general public or for the future. The proposal also does not comply with the intended purpose under the Lake Kununurra Foreshore and Aquatic Plan as it does not propose to appropriately utilise the proximity to and interact with the water.

Although CASA has no regulatory issue, further information is required from the applicant to address safety measures and perceived risks. The Shire's Infrastructure Directorate has expressed concern for the safety of take offs and landings in this location as well as motorist distractions.

It is noted that Shire Officers do not have delegation for Planning Approval on this Special Foreshore Scheme Reserve and Council shall have regard to the ultimate purposes intended for the Reserve.

ATTACHMENTS

Attachment 1 – Correspondence

VOTING REQUIREMENT

Absolute Majority

OFFICER'S RECOMMENDATION

REFUSAL

That Council refuses the proposal to operate scenic flights from Reserve 41812, for the following reason:

- 1) The proposal does not comply with the strategic directions relating to the use of Reserve 41812 as it does not appropriately utilise or interact with the water.
- 2) Safety and traffic concerns relate to the use of the proposed landing and take-off area.

Although the Agenda indicated the voting requirement as an Absolute Majority the actual voting requirement is Simple Majority.

COUNCIL DECISION

Minute No. 10359

Moved: Cr G King

Seconded: K Wright

REFUSAL

That Council refuses the proposal to operate scenic flights from Reserve 41812, for the following reason:

- 1) The proposal does not comply with the strategic directions relating to the use of Reserve 41812 as it does not appropriately utilise or interact with the water.**
- 2) Safety and traffic concerns relate to the use of the proposed landing and take-off area.**

Carried Unanimously 9/0

Attachment 1 - Correspondence

Elle Davidson

From: Northwest Airboats <northwestairboats@gmail.com>
Sent: Tuesday, 11 February 2014 8:09 AM
To: Elle Davidson
Subject: Re: Enquiry regarding joy flights

To whom it may concern,

My name is Hugh Walsh and I am the owner/operator of Northwest Airboats Pty. Ltd. I am writing to you with a plan for the up coming tourist season. This plan involves the use of the Lilly creek pump station area.

For the peak of the tourist (April-August) season I would like to ask for the SWEK's approval to operate helicopter joy flights from Lilly creek. The flights would run on the weekend between the hours of 9-5. Flights will be a 20 min local scenic which in that time take in Hidden Valley National Park, Ord Stage One, Ivanhoe Crossing, Diversion Dam and Sleeping Buddha.

I believe that this will show case the best that Kununurra has to offer in a short time and affordable price.

This location is perfect for a number of reasons. There are take off and approach pathways that do not require flying over buildings and will not affect the airport. Amazing exposure to the Victoria hwy. It is also walking distance from the majority of the hotels in town. Car parking down by the pump shed as there is plenty of space. I feel that this area of town is very under utilized and could be a great attraction for Kununurra.

The area required would be the bank that points towards lakeside. A temporary check in desk and tent will be erected and taken down after the last flight of the day. A pilot plus one ground crew member will be there during operational times. The helicopter will refuel at the airport eliminating any chance of spillage.

Commercial pilots will conduct the flight to a high safety standard and the helicopter has a very extensive insurance policy with a high grade of public indemnity.

I am open to any other suggestions you might have and happy to answer any questions. I reckon this will be a very popular attraction for this town and hope that we can make it work.

Regards Hugh D Walsh
NWAB Kununurra
0427282261

Northwest Airboats Kununurra

Po box 492
Kununurra WA 6743

0419 805 278

LIKE us on Facebook visit:

www.facebook.com/northwestairboats



On Feb 6, 2014, at 11:50 AM, Elle Davidson <Elle.Davidson@swek.wa.gov.au> wrote:

Good morning Hugh,

Thank you for your correspondence regarding your proposal to operate joy flights from an area within the Shire's reserve adjacent to Lily Creek Lagoon. I have discussed your proposal with my Director, Nick Kearns, and you will need to make an application for a lease or licence to the Council, I would suggest putting together a formal letter, addressed to the CEO. This would then be assessed by the relevant officers within the Shire and then a report would be compiled for Councils review. Please outline the following information in your request:

- Describe how you intend to operate
- How much space you need
- Timing of your operations (between what hours and which days)
- How you will manage traffic and parking
- Provide details of any licences that you have relating to having passengers within your helicopter

We realise that you have previously provided some of this information, but it is necessary to include all details within one letter.

Should you require any further information, please feel free to contact me at any time.

Regards

Elle Davidson
Planning Officer

SHIRE of WYNDHAM | EAST KIMBERLEY

20 Coolibah Street, PO Box 614 Kununurra WA 6743 | T: (08) 9168 4100 | F: (08) 9168 1798 | www.swek.wa.gov.au

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 Please consider the environment before printing this e-mail

From: [Northwest Airboats](#)
To: [Mail](#)
Subject: Fwd: Joy Flights
Date: Thursday, 23 January 2014 2:40:04 PM

From: NWAB <northwestairboats@gmail.com>
Date: January 23, 2014 at 1:15:35 PM GMT+8
To: mail@swek.wa.gov.au
Subject: Joy Flights

To whom it may concern,

My name is Hugh Walsh and I am the owner/operator of Northwest Airboats Pty. Ltd. I am writing to you with a plan for the up coming tourist season. This plan involves the use of the Lilly creek pump station area.

For the peak of the tourist (April-August) season I would like to ask for the SWEK's approval to operate helicopter joy flights from Lilly creek. The flights would only run on the weekend and at appropriate hours. Flights will be a 20 min local scenic which in that time take in Hidden Valley National Park, Ord Stage One, Ivanhoe Crossing, Diversion Dam and Sleeping Buddha.

I believe that this will show case the best that Kununurra has to offer in a short time and affordable price.

This location is perfect for a number of reasons. There are take off and approach pathways that do not require flying over buildings and will not affect the airport. Amazing exposure to the Victoria hwy. It is also walking distance from the majority of the hotels in town.

A temporary check in desk and tent will be erected and taken down after the last flight of the day. A pilot plus one ground crew member will be there during operational times. The helicopter will refuel at the airport eliminating any chance of spillage.

I am open to any other suggestions you might have and happy to answer any questions. I reckon this will be a very popular attraction for this town and hope that we can make it work.

Regards Hugh D Walsh
NWAB Kununurra
0427282261





13.5.2 Development Application for Proposed Shed at Lot 1294 Great Northern Highway, Wyndham

DATE:	25 March 2014
PROPONENT:	Desmond Hardtville
LOCATION:	Lot 1294 Great Northern Highway, Wyndham
AUTHOR:	Elle Davidson, Planning Officer
REPORTING OFFICER:	Wayne Richards, Acting Director Community Development
FILE NO:	A1918P

PURPOSE

For Council to consider a development application for a proposed Shed at Lot 1294 Great Northern Highway, Wyndham.

BACKGROUND

An application for planning approval was lodged on 18 February 2014 by Desmond Hardtville for the development of a Shed at Lot 1294 Great Northern Highway, Wyndham.

The property is located on Lot 1294 Great Northern Highway Wyndham and has an area of 4.5 hectares. The land is zoned Special Rural Zone under *Town Planning Scheme No. 6 – Wyndham Townsite (TPS 6)*. The property currently contains one dwelling and one shed.



Proposal

The applicant proposes to develop one shed to measure 10m x 20m with a height of 4.66m, the main purpose of the shed is the storage of a boat and various personal objects.

STATUTORY IMPLICATIONS

Town Planning Scheme No. 6 – Wyndham Townsite

The land at lot 1294 is zoned Special Rural under *TPS 6*. It is identified in Appendix II of *TPS6*, that dwellings and ancillary buildings for the development and maintenance of the predominant use are permitted. The proposed use is P (Permitted) however; Council approval is sought as currently Shire officers do not have delegated authority to approve any development in Wyndham.

POLICY IMPLICATIONS

No policy implications apply in the preparation of this report.

FINANCIAL IMPLICATIONS

No financial implications apply in the preparation of this report.

STRATEGIC IMPLICATIONS

No strategic implications apply in the preparation of this report.

COMMUNITY CONSULTATION

No community consultation implications apply in the preparation of this report.

COMMENT

The proposal is considered to meet the requirements of *TPS6* and is in a location that is not visible from the road and will have no likely impact on the landscape. The buildings are low in scale as illustrated in the applicant's submission accompanying the planning application and will use native vegetation to form a screen barrier.

It is noted that the application requires Council approval as Shire Officers do not have delegation for Planning Approval in Wyndham and the proposal generally complies with the type of development expected in the Special Rural zone.

The application is recommended for approval with conditions.

ATTACHMENTS

Attachment 1 – Planning report and proposed plans

VOTING REQUIREMENT

Absolute Majority

OFFICER'S RECOMMENDATION

That Council approves the planning application for a shed at Lot 1294 Great Northern Highway, Wyndham, for the following reason:

- 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 additions must not be used for commercial, retail, office or tourism uses, and shall not be separately leased or rented.

MOTION

Cr K Wright moves that dot point 2 be removed from the Officers' recommendations.

Although the Agenda indicated the voting requirement as an Absolute Majority the actual voting requirement is Simple Majority.

COUNCIL DECISION

Minute No. 10360

Moved: Cr K Wright

Seconded: Cr D Spackman

Council approves the planning application for a shed at Lot 1294 Great Northern Highway, Wyndham, for the following reason:

- 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.**

Lost 2/7

For: Cr K Wright, Cr D Spackman

Against: Cr J Moulden, Cr R Dessert, Cr D Learbuch, Cr B Robinson, Cr S Cooke, Cr G Taylor, Cr G King

MOTION

Cr B Robinson moved that Council accept the original Officers' Recommendation.

COUNCIL DECISION

Minute No. 10361

Moved: Cr B Robinson

Seconded: D Learbuch

That Council approves the planning application for a shed at Lot 1294 Great Northern Highway, Wyndham, for the following reason:

- 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 additions must not be used for commercial, retail, office or tourism uses, and shall not be separately leased or rented.**

Carried Unanimously 9/0

251.56m

← KNX

GREAT NORTHERN HWY.

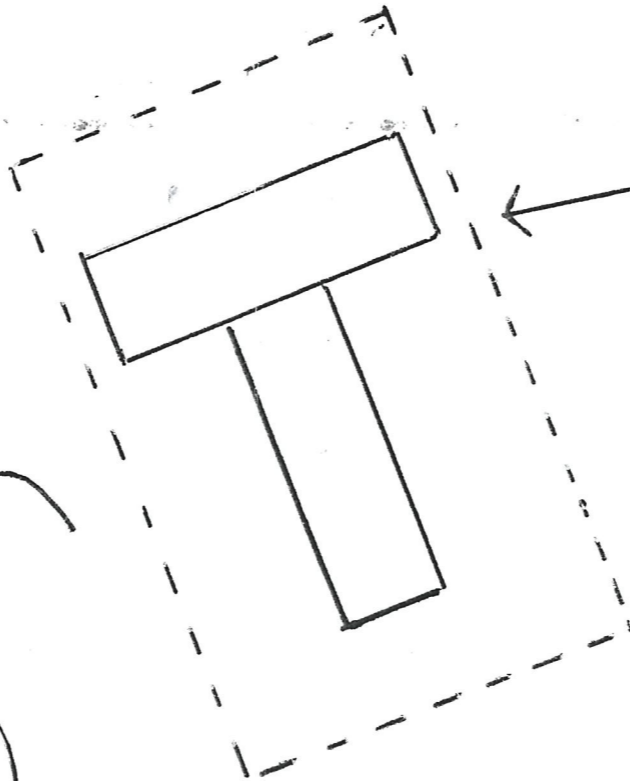
WYN →

SITE PLAN

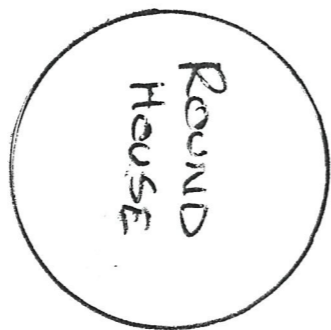
173m

WET SEASON CREEK ↗

EXISTING RESIDENCE



ROUND
HOUSE



WATER
MAIN



39m

PROPOSED
SHED
10m x 20m

10m

40m

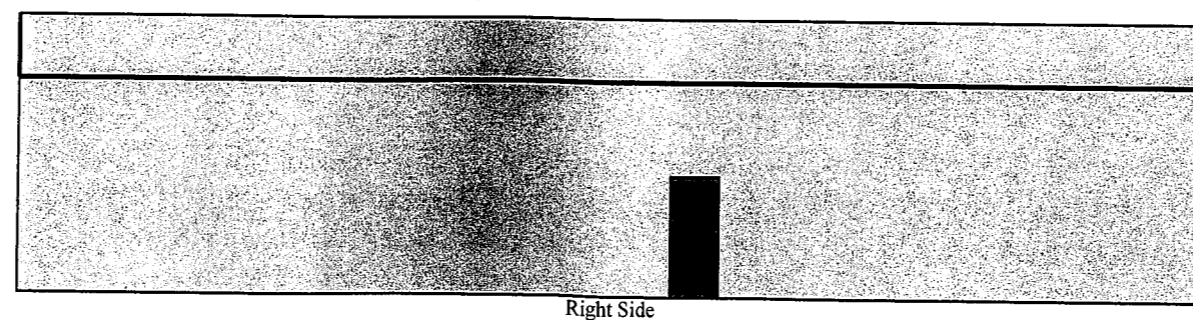
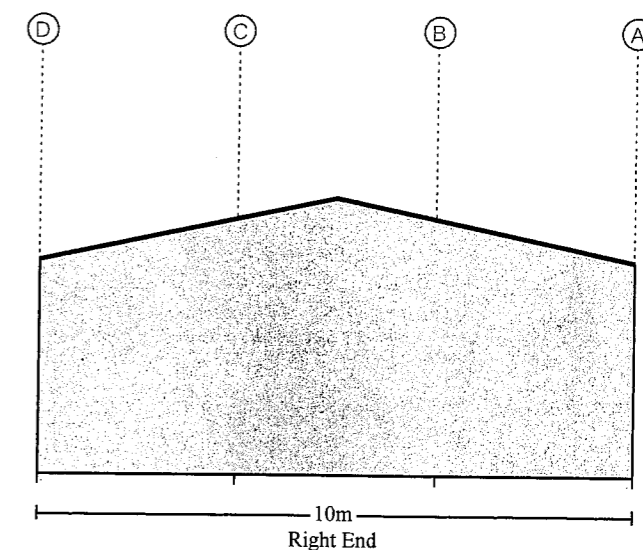
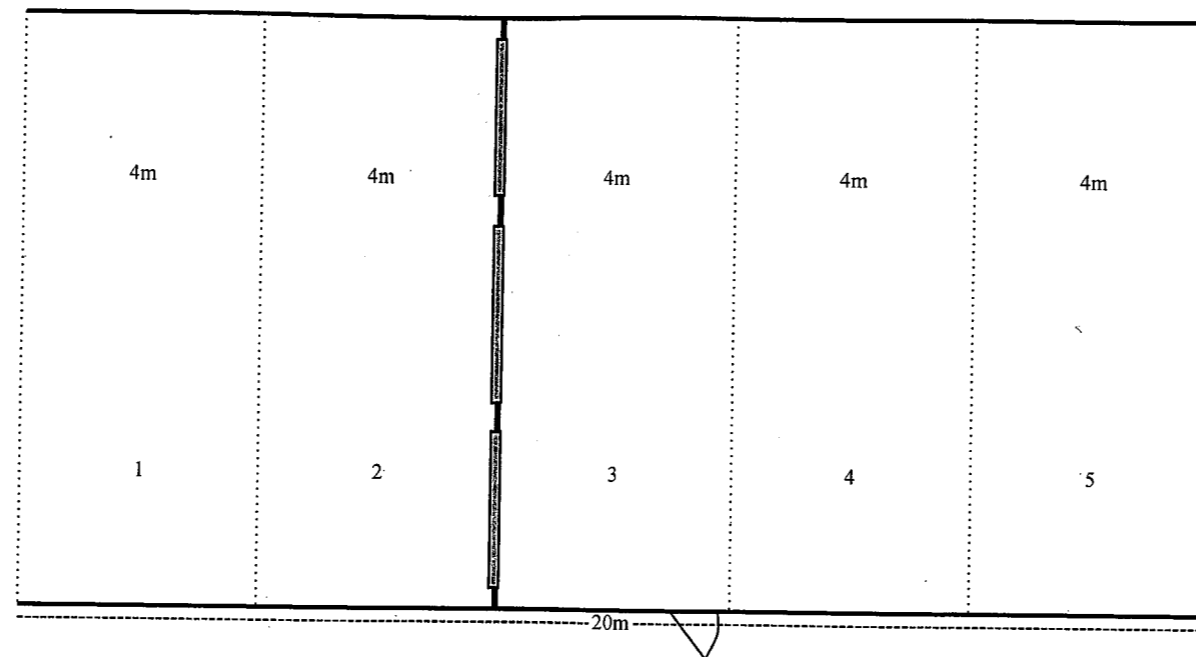
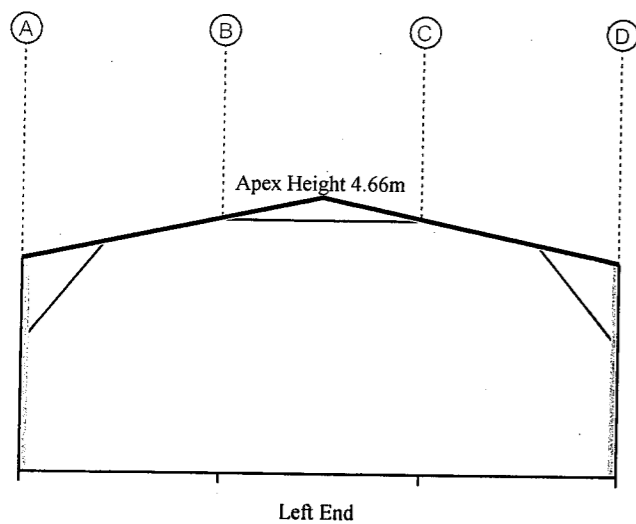
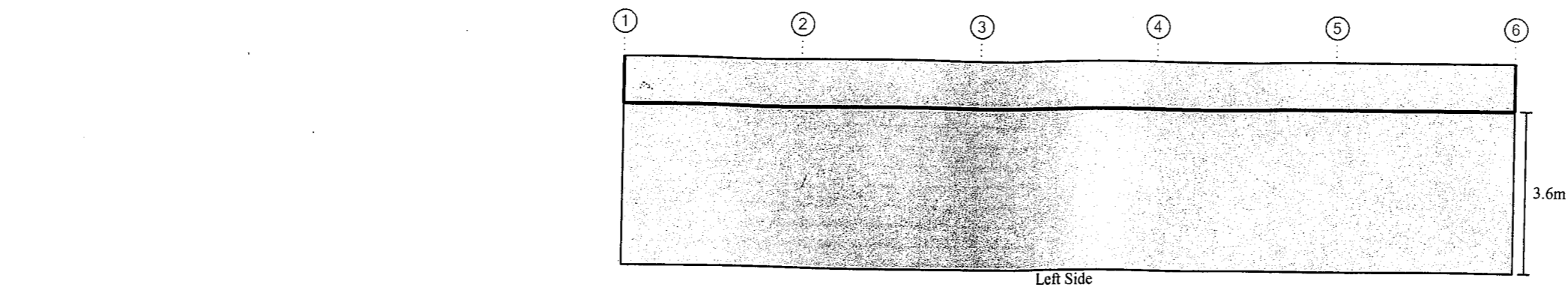
DRIVEWAY

PARRY PARADE

245.42m

BLOCK SIZE 4.5021 HA.

179.16m



Purchaser Name: Des Hardtville

Site Address: Lot 1294 Great Northern Highway WYNDHAM WA Australia 6740

Drawing # Job 132549 - 3

Print Date: 09/10/13

Layout

Seller: Wide Span Sheds

Steelx Pty Ltd

Phone: 07 5657 8888

Fax: 07 5657 8899

Email: admin@sheds.com.au

SHOWERS ENGINEERING PTY LTD

ACN : 075 007 144

MIE Aust. CPEng. (Registered NPER Structural & Civil) 321787

QLD : RPEQ No.1547; VIC : EC24162; TAS : CC4600H; N.T : 46926ES;

Practising Professional Structural & Civil Engineer

Signature:

R.J. Showers

Date: 09/10/13

Desmond Hardtville
Lot 1294 Great Northern Highway
Postal Address: P.O. Box 85
Wyndham. WA. 6740
Ph: 0408 156 181

13th February, 2014

To whom it may concern,

I, Des Hardtville, propose to build a shed at Lot 1294 Great Northern Highway. The exact location of the shed will place it 10 metres from the nearest boundary, and 40 metres from the next nearest boundary (refer site plan). Dimensions are 10metres x 20metres. The shed will be used to house vehicles (motorbike, boat, trailer); tools and used as a workshop.

As a qualified Carpenter & Joiner I am applying for owner builder status.

Every man needs a shed!

Kind Regards,
Des Hardtville.

13.5.3 Community Representation on the Lake Kununurra Foreshore Reference Committee

DATE:	25 March 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Lake Kununurra Foreshore, Kununurra
AUTHOR:	Jennifer Ninyette, Senior Planning Officer
REPORTING OFFICER:	Wayne Richards, Acting Director Community Development
FILE NO:	EM.11.5

PURPOSE

For Council to consider the nominations received for community representation on the Lake Kununurra Foreshore Reference Committee.

BACKGROUND

At the OCM of 17 April 2012 (Item 12.4.2) Council appointed two community members to the Lake Kununurra Foreshore Reference Committee following expressions of interest being sought.

However, since this time both of the community members have resigned due to other commitments or conflicting roles, and there is currently no community representation on the committee.

Expressions of interest were therefore again sought from the community through public notices in the Kununurra and Wyndham offices and libraries, in the Kimberley Echo, on the Shire website and via a media release between 28 January to 14 February 2014.

A total of five submissions were received (see attachment 1) from Maria Bolten Magnay, Sally Thomas, Bruce Livett, Adam Stoker and Kathie Stoker.

STATUTORY IMPLICATIONS

There are no statutory implications associated with this item.

POLICY IMPLICATIONS

This item relates to Council's Community Engagement Policy (CP-COM 3583). In particular the main objectives of this policy that apply to this item are:

- To use the community's input to assist in making more informed and sustainable decisions;
- To facilitate mutual understanding between groups and individuals with differing perspectives and interests;
- To build positive relations between Council and all sections of the community.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this item.

STRATEGIC IMPLICATIONS

This process aligns to the Strategic Community Plan 2012-2022. In particular this process addresses the following strategies:

- 1.1.1 Investigate and implement options to encourage and integrate community input in Council planning, policies and decision making.
- 1.1.2 Improve planning processes to ensure broader engagement and identification of relevant issues from all parties.

COMMUNITY CONSULTATION

The Expression of Interest has been subject to community consultation.

COMMENT

Council is to consider and decide on two community representatives to join the Lake Kununurra Foreshore Reference Committee. Consideration should be given to nominee's availability to attend meetings during business hours, understanding of the Lake Kununurra foreshore and its management, and connections with the general community.

Council has requested that voting occur via a secret ballot, with each Councillor receiving two votes and the Chief Executive Officer to read out the votes to be recorded in the minutes.

ATTACHMENTS

Attachment 1 – Nominations received

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council nominates 2 Community Representatives from the nominations received below by ballot paper to be representatives on the Lake Kununurra Foreshore Reference Committee.

Maria Bolten Magnay
Sally Thomas
Bruce Livett
Adam Stoker
Kathy Stoker

Ballot papers distributed by the Chief Executive Officer

Votes Received

Maria Bolten Magnay	5
Sally Thomas	4
Bruce Livett	3
Adam Stoker	4
Kathy Stoker	2

Due to a tie between Sally Thomas and Adam Stoker the Chief Executive conducted a draw between the two.

Adam Stoker's name was drawn from the ballot box.

COUNCIL DECISION

Minute No. 10362

Moved: Cr B Robinson

Seconded: Cr K Wright

That Council nominates Maria Bolten Magnay and Adam Stoker to be representatives on the Lake Kununurra Foreshore Reference Committee.

Carried Unanimously 9/0

Attachment 1 - Nominations Received

Jennifer Ninyette

From: Chris Magnay <magnay@westnet.com.au>
Sent: Sunday, 9 February 2014 9:08 PM
To: Jennifer Ninyette
Subject: Lake Kununurra Foreshore Reference Committee Nomination

Follow Up Flag: Follow up
Flag Status: Flagged

Hello Jennifer,

I would like to nominate myself for a position on the Lake Kununurra Foreshore Reference Committee.

My name is (Dorte) Maria Bolten Magnay and I am 30 years old. I am a long term local resident, having been born here. I currently work as a Business Lecturer at the Kimberley Training Institute (TAFE) and have previously worked at Kimberley Fine Diamonds and managed the Small Business Centre East Kimberley Inc.

I sit on the board of the Small Business Centre East Kimberley Inc, am a Director at Kimberleyland Holiday Park Pty Ltd and am part of the 2014 Kimberley Economic Forum Sub-Committee. I am a member of the Ord Valley CWA and my family hold a membership of the Kununurra Water Ski Club.

I hold a Bachelor of Commerce (Accounting and Small Business) and a Certificate IV in Training and Assessment. In 2013 I began a Diploma of Governance.

I would like to become a member of this committee because I am passionate about Kununurra, our lifestyle and our waterways. I believe that we can strike a balance between recreational use, commercial tourism, protecting Indigenous culture and the environment. As I understand it, the crucial decision making and planning has been completed. My interest is in ensuring this is executed to the plans, in a timely manner.

On a personal level, I would also value the experience of working on a Local Government committee.

I am an experienced Board Member and recently completed a unit, 'BSBATSIL411A Undertake the Roles and Responsibilities of a Board Member'. In late 2013 I was among the top 20% of candidates to be awarded a Scholarship to attend a Professional Development course in March, "Governance Foundations for the Not for Profit Director" through the Australian Institute of Company Directors and the Australian Scholarships Foundation.

The Membership of the Foreshore Committee has strong and diverse Government representation and I would like to maintain a balance as a long term, committed community member with a background in Private Enterprise.

I acknowledge the potential for Conflict of Interest in regards to Precinct 4, as a Director of Kimberleyland Holiday Park Pty Ltd. At times, I will have to declare my interests.

If I were selected as a member of the Reference Committee, I would relish the opportunity.

Kind Regards,

Maria Bolten Magnay
0407691133
Dortemaria@westnet.com.au

Jennifer Ninyette

From: Thomas, Sally <Sally.Thomas@health.wa.gov.au>
Sent: Friday, 14 February 2014 9:54 AM
To: Jennifer Ninyette
Subject: Lake Kununurra Foreshore & Aquatic Use Plan

Follow Up Flag: Follow up
Flag Status: Flagged

Good morning Jennifer.

I would be interested in being a member of the above committee.

I would like to think I could represent the community perspective from a residents point of view.

I live on the foreshore presently and have lived in Kununurra for 10 years, have raised a family, been involved in local business and have enjoyed multiple aspects of the lake and its surrounds.

When living in the eastern states I was an elected member of the local council so have insight into the machinations of local government.

Kununurra is a beautiful place and has much to offer in residential, tourism and is open to development while keeping nature to the fore.

I have read the plan and I enjoy its optimism and practical applications.

Please consider me when forming your committee

Sally

Sally Thomas

Chronic Condition Nurse Coordinator

WA Country Health Service

Coolibah St | Kununurra WA 6743

PO Box 289 | Kununurra WA 6743

P (08) 91664310 | F (08) 91664250 M 0477717257

Email: KDH.ChronicDiseaseCoordinator@health.wa.gov.au

Working together for a healthier country WA

Our Values: Community | Compassion | Quality Integrity | Justice

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Jennifer Ninyette

From: Zebra Rock Gallery <zebrarockgallery@bigpond.com>
Sent: Friday, 14 February 2014 11:47 AM
To: Jennifer Ninyette
Cc: Nadia Donnelly
Subject: Lake Kununurra Foreshore Reference Committee: Nomination by Bruce Livett

Follow Up Flag: Follow up
Flag Status: Flagged

14/02/2014

To: Jennifer.Ninyette@swak.wa.gov.au;
From: Bruce Livett

Re: Lake Kununurra Foreshore Reference Committee

Dear Jennifer,

Further to my phone conversation with you on Tuesday, I confirm my interest in serving on this committee to represent the community. Accordingly I wish to nominate for membership of the Lake Kununurra Foreshore Reference Committee. Please find below my application.

Introducing myself:

My name is **Bruce Livett** and I am a small business owner, rate-payer and resident of Kununurra. My property, Zebra Rock Gallery, has foreshore on Lake Kununurra in the Packsaddle Plains Agricultural Area and provides a point of access to the upper area of the Lake for town residents and tourists to enjoy.

I have lived in Kununurra for over five years and have experienced the consequences of the big wet of 2011, the dry of 2013, and the recent torrential rain and floods this February.

For the past four years I have served as a Board member of the Kununurra Visitor Centre and wish to represent their interests and of their members by joining the Foreshore Reference Committee.

Why I want to be a member of the Lake Kununurra Foreshore Reference Committee:

Water and Land management are key to the sustainability of Kununurra. I wish to participate in the implementation of effective land and water use for Lake Kununurra to ensure best outcomes for agricultural use, for conservation and for recreational enjoyment by our Community and visitors.

What I will bring to the Committee:

As a representative of the Board of the Kununurra Visitor Centre I will bring the perspective of visitors to Kununurra and tourism operators in our community for eco-sustainable recreational use of the land and water comprising Lake Kununurra as proposed in the Lake Kununurra Foreshore and Aquatic Use Plan. These views will complement those of representatives from Government Departments and the Chamber of Commerce.

As an individual with a long-standing interest aquatic sports (I sailed skiffs on Port Philip Bay for much of my earlier life and ran a Junior Training program at Mordialloc Sailing Club where I was also a Committee

member), I bring a passion for making best use of our wonderful Lake Kununurra for recreational boating activities and for recreational fishing.

As a land owner with frontage on Lake Kununurra, I bring the perspective of a rate-payer who is interested in seeing better communication between the agencies who control our water resources and the residents affected by changes in Lake and foreshore conservation and management.

Sincerely,

Bruce Livett
Owner, Zebra Rock Gallery
410-411 Packsaddle Road
PO Box 97
Kununurra, WA 6743

Phone/Fax: 08 9168 1114
zebrarockgallery@bigpond.com
www.zebrarock.biz

PS. I would appreciate acknowledgement of receipt of this application by return of email.

Jennifer Ninyette

From: Adam A <adam@kimberleyairtours.com.au>
Sent: Friday, 14 February 2014 12:00 PM
To: Jennifer Ninyette
Subject: Lake Kununurra Foreshore Reference Committee

Follow Up Flag: Follow up
Flag Status: Flagged

Good morning Jennifer,

I would like to nominate for a position on the Lake Kununurra Foreshore Reference Committee.

I have been a resident of Kununurra for the past 9 years, first working for Slingair as a pilot and more recently as an owner and director of Kimberley Air Tours.

As a small business owner who utilises Lake Kununurra on a daily basis, I believe I present a unique insight and understanding of the challenges faced by users of Lake Kununurra, for both private and commercial use.

Lake Kununurra and its' foreshore is by far the largest and most important asset to Kununurra and I believe there exists a huge potential for development of the foreshore, provided it is done in a sustainable and environmentally friendly way whilst also improving access for residents and guests to our town, not imposing additional limitations or restrictions.

I hope to offer the community an open mind, a sound voice of reason and to assist in education and information.

Thank you for reading my email and for considering me as a nominee.

--

Adam Stoker
Chief Pilot
Kimberley Air Tours
adam@kimberleyairtours.com.au
Ph: (08) 9168 2653

Kathie Stoker
PO Box 2847
Kununurra WA, 6743
0418691472
Kathie@kimberleyairtours.com.au

Friday 14th February, 2014

Hi Jennifer,

I would like to nominate for the community member position on the Lake Kununurra Foreshore Reference Committee.

My name is Kathie Stoker and I have been living and working in the Kununurra community for the last nine years, having made it my home. I have participated in many local group activities such as the netball and squash teams, events run by the KCCI and SBCEK, and a member of the Ord Valley CWA. Over my time in Kununurra I have been working within both large and small local business, and currently am an owner and operator of a small business, Kimberley Air Tours. Our business utilises the waters of Lake Kununurra on a daily basis, affording me the opportunity to see firsthand what the issues are on Lake Kununurra and how implementing changes are necessary for the good of the community as a whole.

I have seen many changes occur throughout the area over the last couple of years, and believe that there are many more exciting opportunities ahead for the town. This is why I think that now is the time to get involved with the planning and implementation of the Kununurra foreshore. The changes possible have the chance to impact greatly on improving the character of the lake, its useability for community members and business operators, as well as their interaction with each other. There is the opportunity to make Lake Kununurra the vibrant and better utilised resource that it should be for locals and tourists alike.

Please do not hesitate to let me know if you need any more information to support my application,

Kind regards,

Kathie Stoker

13.5.4 Shire of Wyndham East Kimberley Local Planning Scheme No. 8

DATE:	25 March 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Jennifer Ninyette, Senior Planning Officer
REPORTING OFFICER:	Wayne Richards, A/Director Community Development
FILE NO:	LP.02.3

PURPOSE

For Council to consider to:

- 1) Resolve not to proceed with the existing draft Local Planning Scheme No. 8, and
- 2) Initiate the preparation of a new Scheme.

BACKGROUND

At the Ordinary Council Meeting of 24 July 2012 (Item 12.4.1) Council adopted the draft Local Planning Scheme for the purposes of advertising.

Ministerial consent to advertise draft Scheme No. 8 was granted in November 2012, conditional on the Shire undertaking the requested modifications and returning the modified documents back to the Commission within 42 days.

However, there has been a significant time lapse since that time within which other issues have arisen including the preparation of a draft Local Planning Strategy which will require additional modifications to the draft Scheme No. 8 beyond what were originally requested in November 2012.

The Local Planning Scheme, as a tool to implement the Local Planning Strategy (Strategy), will need to be reviewed in light of the Strategy outcomes. It is the Western Australian Planning Commission's (WAPC) preference that Strategy and Local Planning Scheme are prepared concurrently, and that the two documents are advertised and considered together.

Accordingly, the WAPC has advised that there are two options that the Shire can consider to progress the Local Planning Scheme:

- 1) Resolve not to proceed with the existing draft Scheme No. 8

As the draft Scheme No. 8 hasn't been advertised, Council can, at this stage, resolve not to proceed with the existing draft, and would need to advise the WAPC of their decision in writing. The preparation of a new Local Planning Scheme could then be initiated as per *Town Planning Regulations 1967* (Reg 4). This would be more streamlined from a process perspective, and minimise the need for future amendments to the Local Planning Scheme to implement the Strategy at a later stage.

- 2) Continue with the Local Planning Scheme Review (draft Scheme No. 8)

Should Council wish to continue with the Local Planning Scheme Review process that is in train, in light of the lengthy time lapse a request for an extension for undertaking the modifications will need to be forwarded to the WAPC as Ministerial consent is

required for any extensions. When the draft Scheme No. 8 is resubmitted to the WAPC, any additional modifications made over and above what was requested by the Commission will need to be justified by the Shire. Equally, any gaps will also need to be justified. As the Minister had previously provided consent to advertise (subject to modifications), Ministerial consent will be required for any additional modifications.

STATUTORY IMPLICATIONS

Town Planning Regulations 1967

The Town Planning Regulations 1967 (Regulations) outlines the legal process (Reg. 4) of preparing a new Local Planning Scheme for the Shire to follow including how the resolution deciding to prepare a Local Planning Scheme must be worded, and that when Council forward its resolution to the WAPC, it must also provide a statement setting forth the objects and intentions of the new Local Planning Scheme. The Regulations also outline the required advertising and notification process once the WAPC acknowledge the resolution to prepare a new Local Planning Scheme (Reg. 5).

Under Regulation 13, if a local government resolves not to proceed with the Scheme it must notify the WAPC in writing of that resolution.

Regulation 15 of the *Town Planning Regulations 1967* requires that when a local government advertises a draft Local Planning Scheme they are also required to advertise the Local Planning Strategy.

POLICY IMPLICATIONS

There are no policy implications associated with this item.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this item.

STRATEGIC IMPLICATIONS

This project aligns to the Strategic Community Plan 2012-2022. In particular this project addresses the following strategy:

- 1.1.2 Improve planning processes to ensure broader engagement and identification of relevant issues from all parties.

The new Local Planning Scheme will largely be guided by the draft Local Planning Strategy, and any other relevant strategic planning documents endorsed by the Shire and other relevant government agencies, including the Western Australian Planning Commission.

COMMUNITY CONSULTATION

If Council resolves to prepare a new Local Planning Scheme, notice of this resolution is required to be advertised in the government gazette and local newspaper, and notice sent to adjoining local governments and other key stakeholders, and in particular government agencies.

A formal public consultation process will also be conducted once a draft document has been completed and received endorsement from the Council, Western Australian

Planning Commission (WAPC) and the Minister for Planning. The draft Local Planning Scheme will be required to be advertised with the draft Local Planning Strategy.

COMMENT

It is the preference of the WAPC that Council resolve not to proceed with the existing draft Local Planning Scheme No. 8, and to initiate the preparation of a new Local Planning Scheme, as they consider this to be a more streamlined process, which will minimise the need for future amendments to the Local Planning Scheme to implement the Local Planning Strategy at a later stage. It is also intended (and required) that the draft Local Planning Strategy and draft Local Planning Scheme be advertised concurrently.

If Council resolves not to proceed with the existing draft, this document will still essentially remain as the basis for the new Local Planning Scheme to be prepared, however will be reviewed in light of the strategy outcomes and other modifications as required by the WAPC and the Minister for Planning.

Council will be required to resolve to prepare a new Local Planning Scheme in accordance with the *Town Planning Regulations 1967* and forward the resolution and relevant information to the Western Australian Planning Commission. Once notification is received from the Commission, notice of Council's decision to prepare a new Local Planning Scheme will be published in a newspaper circulating in the Shire, and adjoining Local Governments and relevant public agencies will be written to, to seek initial input and comment.

The preparation of the draft new Local Planning Scheme will officially commence once notification has been received from the Commission. Feedback received from the adjoining local governments and relevant public authorities will be considered during the review stages. As such, it is recommended that Council:

- Resolve not to proceed with draft Local Planning Scheme No. 8;
- Resolve to prepare a new Local Planning Scheme;
- Adopt preliminary objects and intentions for the new Local Planning Scheme; and
- Forward relevant information to the Western Australian Planning Commission.

In regard to the preliminary objects and intentions for the new Local Planning Scheme, it is considered appropriate to retain the preliminary objects and intentions previously identified, as follows,:

- To zone and reserve land for various purposes within the Scheme area;
- To provide for orderly and proper planning;
- To provide the statutory basis for land use and development control within the Shire;
- To set out administrative and operational requirements and procedures for planning; and
- To facilitate implementation of the Shire's Local Planning Strategy.

Process Moving Forward

Following on from the abovementioned recommended resolutions of Council, and subsequent notifications required, the next steps in the process moving forward are outlined below:

- Review of preliminary document in light of the draft strategy outcomes, initial input from the adjoining local governments and relevant public authorities and other modifications as required by the WAPC and the Minister for Planning.
- Preparation of draft document and presentation to Council.
- Public advertising (in conjunction with the draft Local Planning Strategy)
- Review and response to submissions.
- Modifications and presentation of final document for endorsement by Council, prior to endorsement by the WAPC and the Minister for Planning.

ATTACHMENTS

Attachment 1 – Scheme Area Map

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council:

- 1) Resolves not to proceed with the draft Local Planning Scheme No. 8, and notifies the Western Australian Planning Commission in writing pursuant to Regulation 13(1)(b) of the *Town Planning Regulations 1967*.
- 2) In pursuance of Section 72 of the *Planning and Development Act (2005)*, prepares Local Planning Scheme No. 9 with reference to an area situated wholly within the Shire of Wyndham East Kimberley and enclosed within the inner edge of the dashed black border on a plan, as contained in Attachment 1, titled "Scheme Area Map".
- 3) For the purposes of compliance with Regulation 4(3)(c)(i) of the *Town Planning Regulations 1967*, adopts the following as the preliminary objects and intentions of the Scheme:
 - To zone and reserve land for various purposes within the Scheme area;
 - To provide for orderly and proper planning;
 - To provide the statutory basis for land use and development control within the Shire;
 - To set out administrative and operational requirements and procedures for planning; and
 - To facilitate implementation of the Shire's Local Planning Strategy.
- 4) Pursuant to Section 72 of the *Planning and Development Act (2005)* and Regulation 4(3) of the *Town Planning Regulations 1967*, forwards to the Western Australian Planning Commission:
 - a) A copy of Councils' resolution deciding to prepare a new Local Planning Scheme, certified by the Chief Executive Officer;
 - b) A map marked "Scheme Area Map", signed by the Chief Executive Officer, on which is delineated the area of land proposed to be included in the Scheme; and
 - c) A statement setting forth the objects and intentions of the Scheme and the anticipated format of the Scheme.

And subject to Council receiving notification from the Western Australian Planning Commission pursuant to Regulation 4(6) of the *Town Planning Regulations (1967)*:

- d) Publishes a notice within the Government Gazette and a newspaper circulating in a district of the Shire of the passing of the resolution deciding to prepare a Local Planning Scheme, pursuant to Regulation 5(1); and
- e) Forwards a copy of the notice to the Local Government of every adjoining district, the Water Corporation, the Department of Parks and Wildlife and every other public authority likely to be affected by the Scheme, requesting details of matters that should be considered during the preparation of the Scheme, pursuant to Regulation 5(2).

COUNCIL DECISION

Minute No. 10363

Moved: Cr K Wright

Seconded: Cr D Learbuch

That Council:

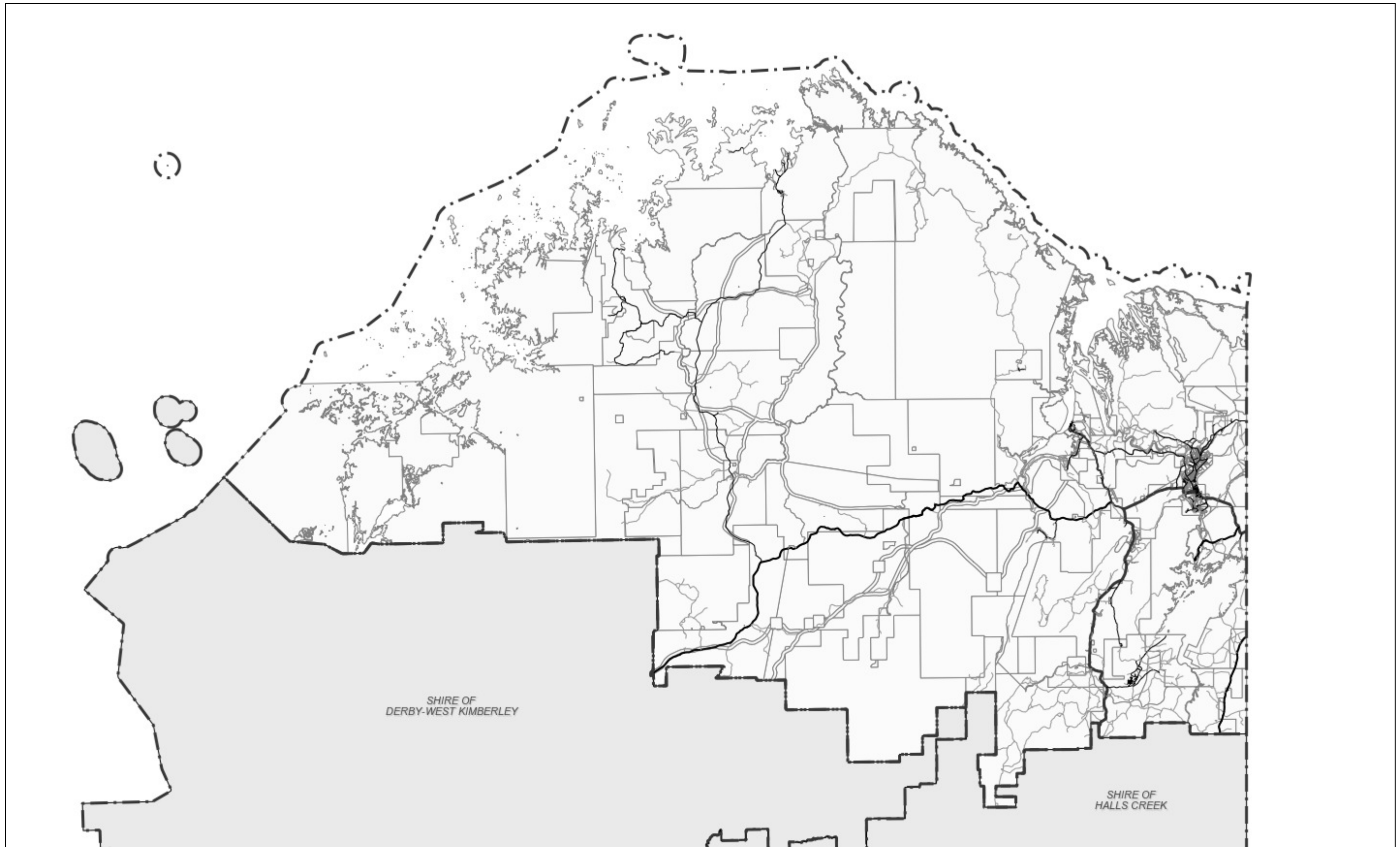
- 1) Resolves not to proceed with the draft Local Planning Scheme No. 8, and notifies the Western Australian Planning Commission in writing pursuant to Regulation 13(1)(b) of the *Town Planning Regulations 1967*.**
- 2) In pursuance of Section 72 of the *Planning and Development Act (2005)*, prepares Local Planning Scheme No. 9 with reference to an area situated wholly within the Shire of Wyndham East Kimberley and enclosed within the inner edge of the dashed black border on a plan, as contained in Attachment 1, titled "Scheme Area Map".**
- 3) For the purposes of compliance with Regulation 4(3)(c)(i) of the *Town Planning Regulations 1967*, adopts the following as the preliminary objects and intentions of the Scheme:**
 - To zone and reserve land for various purposes within the Scheme area;**
 - To provide for orderly and proper planning;**
 - To provide the statutory basis for land use and development control within the Shire;**
 - To set out administrative and operational requirements and procedures for planning; and**
 - To facilitate implementation of the Shire's Local Planning Strategy.**
- 4) Pursuant to Section 72 of the *Planning and Development Act (2005)* and Regulation 4(3) of the *Town Planning Regulations 1967*, forwards to the Western Australian Planning Commission:**
 - a) A copy of Councils' resolution deciding to prepare a new Local Planning Scheme, certified by the Chief Executive Officer;**
 - b) A map marked "Scheme Area Map", signed by the Chief Executive Officer, on which is delineated the area of land proposed to be included in the Scheme; and**
 - c) A statement setting forth the objects and intentions of the Scheme and the anticipated format of the Scheme.**

And subject to Council receiving notification from the Western Australian Planning Commission pursuant to Regulation 4(6) of the *Town Planning Regulations (1967)*:

- d) Publishes a notice within the Government Gazette and a newspaper circulating in a district of the Shire of the passing of the resolution deciding to prepare a Local Planning Scheme, pursuant to Regulation 5(1); and**
- e) Forwards a copy of the notice to the Local Government of every adjoining district, the Water Corporation, the Department of Parks and Wildlife and every other public authority likely to be affected by the Scheme, requesting details of matters that should be considered during the preparation of the Scheme, pursuant to Regulation 5(2).**

Carried Unanimously 9/0

Attachment 1 - Scheme Area Map



The Shire of Wyndham East Kimberly 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.

Scheme Area Map

March 2014

1:2000000



13.5.5 Renaming of Wyndham Youth and Recreation Centre

DATE:	25 March 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	N/A
AUTHOR:	Wayne Richards, Acting Director Community Development; Cr Keith Wright
REPORTING OFFICER:	Gary Gaffney, Chief Executive Officer
FILE NO:	RC.09.2

PURPOSE

For Council to endorse the naming of the Wyndham Youth and Recreation Centre to the "Ted Birch Memorial Youth and Recreation Centre" in honour of a long standing and well respected resident of the area, recently deceased.

BACKGROUND

Pastor Ted Birch has been a well-known and respected member of the Wyndham Community. Ted unfortunately passed away on 16 February 2014. Amongst Ted's contributions to the community:

- Member of the Wyndham Action Group in the 1980s that amongst other achievements help to establish the Safe House, the Rehabilitation Centre and a Youth Service.
- Pastor of the People Church in Wyndham;
- Basketball Coach and Umpire;
- Held religious classes at Wyndham District High School and worked as a Pastoral Care pastor;
- Inducted into Garnduwa Hall of Fame in 2012;
- Marriage and burial Celebrant;
- Taking Wyndham basketball team to Halls Creek for competitions;
- Night Patrol Officer; and
- Organised, sourced funding for and delivered cultural camps such as Young Black and Deadly.

Feedback has been received from the Community requesting that the Shire consider honouring Ted's contribution by renaming the Wyndham Youth and Recreation Centre the Ted Birch Memorial Youth and Recreation Centre. Officers agree that this would be a fitting tribute.

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

Costs associated with this report are low and will be covered by the Wyndham Youth and Recreation Centre maintenance budget.

STRATEGIC IMPLICATIONS

There are no strategic implications associated with this report.

COMMUNITY CONSULTATION

Members of Ted's family were contacted regarding this proposal, feedback was that they would like the title to be the "Ted Birch Memorial Youth and Recreation Centre". No other community consultation has taken place in regard to this matter.

COMMENT

It is recognised that Pastor Ted Birch made significant contributions to the town of Wyndham, in particular in the provision of activities for young people.

As an active community member Pastor Birch was a role model for many young people and it is believed that re-naming the Wyndham Youth and Recreation Centre to the Ted Birch Youth and Recreation Centre is a fitting gesture. This is an ideal opportunity to tie more closely the Aboriginal community and the non-Aboriginal as well as to truly honour a man who over the years has contributed greatly to our community.

If the name change is endorsed, officers will arrange suitable ceremony to honour Pastor Ted Birch and acknowledge the official change.

ATTACHMENTS

There are no attachments associated with this report.

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council endorses:

1. The amendment of the title of the Wyndham Youth and Recreation Centre to "Ted Birch Memorial Youth and Recreation Centre".
2. An appropriate Civic Function, to be arranged at a suitable time to mark the occasion.
3. A suitably worded plaque displayed inside the building to tabulate briefly the achievements of Ted Birch within the community so that users and residents of the future will understand the Council decision of today.

COUNCIL DECISION

Minute No. 10364

Moved: Cr G King

Seconded: Cr D Learbuch

That Council endorses:

- 1) The amendment of the title of the Wyndham Youth and Recreation Centre to “Ted Birch Memorial Youth and Recreation Centre”.**
- 2) An appropriate Civic Function, to be arranged at a suitable time to mark the occasion.**
- 3) A suitably worded plaque displayed inside the building to tabulate briefly the achievements of Ted Birch within the community so that users and residents of the future will understand the Council decision of today.**

Carried Unanimously 9/0

13.6 CHIEF EXECUTIVER OFFICER

13.6.1 Use of the Common Seal

DATE:	25 March 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	N/A
AUTHOR:	Sharmayne Halliday, Governance Officer
REPORTING OFFICER:	Gary Gaffney, Chief Executive Officer
FILE NO:	GN.02.1

PURPOSE

For Council to receive this report on the application of the Shire of Wyndham East Kimberley Common Seal for the period 29 January to 25 March 2014.

STATUTORY IMPLICATIONS

Local Government Act 1995

Council's Standing Order Local Law makes reference to the application of the Common Seal.

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

This report aligns with Council's focus on Governance, Goal 1 of Council's Strategic Community Plan.

COMMENT

The following documents have had the Shire of Wyndham East Kimberley Common Seal applied:

Date of Use	Document
18/02/2014	Memorandum of Understanding – The Maintenance and Support of the Wyndham VES Unit
03/03/2014	Regional Collaborative Group Agreement
18/03/2014	Section 70A notification for subdivision of lot 3 Barytes Road, Wyndham

ATTACHMENTS

There are no attachments associated with this report.

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council receives the report on the application of the Shire of Wyndham East Kimberley Common Seal for the period 29 January to 25 March 2014.

COUNCIL DECISION

Minute No. 10365

Moved: Cr K Wright

Seconded: Cr B Robinson

That Council receives the report on the application of the Shire of Wyndham East Kimberley Common Seal for the period 29 January to 25 March 2014.

Carried Unanimously 9/0

13.6.2 Delegated Authority Report

DATE:	25 March 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	N/A
AUTHOR:	Sharmayne Halliday, Governance Officer
REPORTING OFFICER:	Gary Gaffney, Chief Executive Officer
FILE NO:	PL.02.1

PURPOSE

To report to Council on the use of Delegated Authority by Officers for the period 1 February to 28 February 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.

- 1) The CEO is to keep a register of the delegations made under this Division to the CEO and to employees.
- 2) At least once every financial year, delegations made under this Division are to be reviewed by the delegator.
- 3) 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

OFFICER'S RECOMMENDATION

That Council receives the Delegated Authority Report for the period 1 February to 28 February 2014.

COUNCIL DECISION

Minute No. 10366

Moved: Cr D Learbuch

Seconded: Cr B Robinson

That Council receives the Delegated Authority Report for the period 1 February to 28 February 2014.

Carried Unanimously 9/0

Attachment: Delegated Authority Report

**AMENDMENTS TO EXISTING BUILDING PERMIT (Form BA04) ISSUED AS THE CERTIFIER FOR THE PERMIT ISSUING AUTHORITY –
01 to 28 February 2014**

DOC NO	DATE ISSUED	ASSESS NO.	BUILDING PERMIT	AMEND NO	OWNER	BUILDER	BRB / OB NO	LOCATION	DESCRIPTION	AMENDMENT DETAILS
BA6195	10/02/2014	A39P	177/2010	3	Peter Letchford	Peter Letchford	N/A - Rural Shed	Loc 239 Weaver Plain Road Kununurra	Extension to existing shed	Further Extension & relocation of proposed ablution
BA6229	16/02/2014	A7433P	141/2011	1	Kimberley Metals Group	Unison Holdings Limited	N/A - outside BRB jurisdiction	M80/00599 "Ridges Iron Ore Project"	Mine site accommodation, dining, ablutions etc.	Permanent Campsite
BA6230	16/02/2014	A7433P	141/2011	2	Kimberley Metals Group	Unison Holdings Limited	N/A - outside BRB jurisdiction	M80/00599 "Ridges Iron Ore Project"	Mine site Office, Crib, First Aid & Ablution	Mine site Office suites

**CERTIFICATE OF DESIGN COMPLIANCE (Form BA03) ISSUED AS THE CERTIFIER FOR THE PERMIT ISSUING AUTHORITY –
01 to 28 February 2014**

APPLIC NO	DATE APPLIC RECVD	DATE ISSUED	ASSESS NO.	CERT No	LOCATION	DESCRIPTION
101295	30/01/2014	5/02/2014	A527P	BA6175	"El Questro Station - Station Camp area" Location 708, 275, Gibb River / Wyndham Roads	Class 10A - Generator enclosure with tropical roof
73255	4/02/2014	6/02/2014	A5219P	BA6182	Lot 38 Koolama Street Wyndham WA	Class 1A Single dwelling with attached double carport and outdoor living area
73262	13/02/2014	18/02/2014	A1091P	BA6237	Kimberleyland Holiday Park	Annex to caravan
73259	13/02/2014	18/02/2014	A1091P	BA6239	Kimberleyland Holiday Park	Carport for caravan
73260	13/02/2014	18/02/2014	A1091P	BA6243	Kimberleyland Holiday Park	Carport for caravan
101219	19/02/2014	19/02/2014	A1091P	BA6247	Kimberleyland Holiday Park	Annex to caravan
101310	19/02/2014	20/02/2014	A2545P	BA6254	6B Lemonwood Street	Class 10a Carport
101313	27/02/2014	4/03/2014	A1091P	BA6278	Kimberleyland Holiday Park	Annex to caravan

BUILDING PERMITS (Form BA04) ISSUED AS THE PERMIT ISSUING AUTHORITY – 01 to 28 February 2014

LIC#	DATE RECEIVED	DATE LICENCED	OWNER	BUILDER	LOCATION	DESCRIPTION	NEW/ ADD	EST. VALUE	COMMENT / PROCESSING TIME – WORKING DAYS
006/ 2014	30/01/2014	5/02/2014	Delaware North Company's	Delaware North Company's	"El Questro Station - Station Camp area" Location 708, 275, Gibb River / Wyndham Roads	Class 10A - Generator enclosure with tropical roof	New	\$ 90,000.00	3/25 assess days
007/ 2014	4/02/2014	6/02/2014	Hayley Eileen Richardson	Gary Holbem T/A Pandanus Homes	Lot 38 Koolama Street Wyndham WA	Class 1A Single dwelling with attached double carport and outdoor living area	New	\$ 310.00	1/25 assess days
008/ 2014	6/02/2014	28/02/2014	MG Corporation	Kullarri Building	Lot 57 (13) Kurrajong Street Kununurra WA	Class 1A Grouped Dwellings with single garages and attached verandas	New	\$ 1,003,892.00	3/10 assess days. Pending start 10/2/14
009/ 2014	6/02/2014	28/02/2014	MG Corporation	Kullarri Building	Lot 55 (8) Ironwood Drive Kununurra WA	Class 1A Grouped Dwellings with single garages and attached verandas	New	\$ 1,003,892.00	3/10 assess days. Pending start 10/2/14
BAC 010/ 2014		16/02/2014	Jim Rays & Sue Ann Coburn	Jim Rays	Lot 49 Harrier Close Kununurra	Existing Class 10A horse stable/shed with structural modifications	Exist	\$ 15,000.00	
011/ 2014	13/02/2014	18/02/2014	Kimberleyland Holiday Park	Owner Builder	Kimberleyland Holiday Park	Annex to caravan	new	\$ 8,000.00	2/25 assess days
012/ 2014	13/02/2014	18/02/2014	Kimberleyland Holiday Park	Owner Builder	Kimberleyland Holiday Park	Carport for caravan	new	\$ 7,000.00	2/25 assess days
013/ 2014	13/02/2014	18/02/2014	Kimberleyland Holiday Park	Owner Builder	Kimberleyland Holiday Park	Carport for caravan	new	\$ 7,000.00	2/25 assess days

BAC 014/ 2014	19/02/2014	19/02/2014	Kimberleyland Holiday Park	Owner Builder	Kimberleyland Holiday Park	Existing Annex to caravan	Existi ng	\$ 10,000.00	4/25 assess days
015/ 2014	19/02/2014	20/02/2014	Kevin and Georgina Lilly	Ryan Chinnery	6B Lemonwood	Class 10a Carport	New	\$ 8,800.00	2/25 assess days
016/ 2014	26/02/2014	26/02/2014	Bothkamp Australia P/L	Darren Fulcher	1556 Poincettia Way Kununurra	Class 7B Warehouse / Workshop	New	\$ 250,000.00	1/25 assess days
								\$ 2,403,894.00	

DEMOLITION PERMITS (Form BA06) ISSUED AS THE PERMIT ISSUING AUTHORITY – 01 to 28 February 2014

DEMO LIC#	DATE APPLIC RECVD	DATE LICENCED	ASSESS NO.	BA RECORD	OWNER	BUILDER/ DEMOLITION CONTRACTOR	DEMO CLAS S (1, 2 or 3)	WAD CLASS/ LIC NO	LOCATION	DESCRIPTION
DP004/2014	11/02/2014	12/02/2014	A240P	BA6203	Mitchell Family Trust	Chris Daniel		SC10116	20 Delemare Street Wyndham	Class 1a removal of external cladding and rear eaves

**BUILDING APPROVAL CERTIFICATES (Form BA14) ISSUED AS THE CERTIFIER FOR THE PERMIT ISSUING AUTHORITY
– 01 to 28 February 2014**

APPLIC NO	DATE ISSUED	ASSESS NO.	CERT No	LOCATION	DESCRIPTION
101308	16/02/2014	A6009	BA6228	Lot 49 Harrier Close Kununurra	Existing Class 10A horse stable/shed with structural modifications
101219	19/02/2014	A1091P	BA6247	Kimberleyland Holiday Park	Annex to caravan

**CERTIFICATES OF BUILDING COMPLIANCE (Form BA18) ISSUED AS THE CERTIFIER FOR THE PERMIT ISSUING AUTHORITY
– 01 to 28 February 2014**

APPLIC NO	DATE ISSUED	ASSESS NO.	CERT No	LOCATION	DESCRIPTION
101308	101308	A6009P	BA6226	Lot 49 Harrier Close Kununurra	Existing Class 10A horse stable/shed with structural modifications

OCCUPANCY PERMITS (Form BA10) ISSUED – 01 to 28 February 2014

OCCUP PERMIT NO	DATE	BUILDING PERMIT / LICENCE NO	ASSESS NO.	Receipt No	Buildin g Class	OWNER	BUILDER	BRB / OB NO	LOCATION	DESCRIPTION
BA6232	16/02/2014	141/2011	A7433P	N/A prior to 01.04.2012	5, 1B & 10A	Kimberley Metal Group	Unison Holdings Limited	N/A not within jurisdiction of Builders Registration Board	"Ridges Iron Ore Project" M80/00599 Mining Tenement	Class 5, 1B & 10A - Mine site office and residential accommodation with ancillary buildings

THERE WAS NO REPORTABLE ACTIVITY FOR THE PERIOD – 01 to 28 February 2014 for the following:

- 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 – STRATA (Form BA16)
- CERTIFICATES OF CONSTRUCTION COMPLIANCE (Form BA17)
- EXTENSIONS OF TIME GRANTED TO EXISTING BUILDING PERMITS (BA04)
- SIGN LICENCES
- FORMAL NOTICE / BUILDING ORDER – pursuant to Building Act 2011

PLANNING DELEGATED AUTHORITY APPROVALS - 1 – 31 January 2014

Application / Delegation Number	Approval Type	Date Received	Owner	Address	Proposed Development	Assess't Number	Approval Date	Approved By
DA98/13	P	17/10/2013	Robert Boshammer and Fauke Bolten- Boshammer	Lot 1519 Victoria Highway, Kununurra	Proposed Development, ablution block, guest kitchen and new powered sites	1091	29/01/2014	Approved by Julia Hall

PLANNING DELEGATED AUTHORITY APPROVALS - 1 - 28 February 2014

Application / Delegation Number	Approval Type	Date Received	Owner	Address	Proposed Development	Assess't Number	Approval Date	Approved By
DA4/14	Sign	29/01/2013	Guerinoni Super Pty Ltd	Lot 309 Dusty Rankin Drive, Kununurra	Proposed Horizontal signs, A Frame and flags	998	12/02/2014	Approved by Julia Hall
DA7/14	HOCC	14/02/2014	Adrian Roxburgh & Kylie Belwolts	Lot 1757 (29B) Grevillea Avenue, Kununurra	Home Occupation - Creative Harmony	2178	28/02/2014	Approved by Julia Hall
DA8/14	P	7/02/2014	Timothy and Keda Bond	Lot 112 Berkeley Crescent, Kununurra	Proposed Single Dwelling	7345	28/02/2014	Approved by Julia Hall

13.6.3 Resignation of Councillor Sophie Cooke from WALGA Kimberley Zone / Regional Collaborative Group

DATE:	25 March 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	N/A
AUTHOR:	Gary Gaffney, Chief Executive Officer
REPORTING OFFICER:	Gary Gaffney, Chief Executive Officer
FILE NO:	GN.06.1

PURPOSE

The purpose of this report is for Council to note the resignation of Councillor Sophie Cooke from the WALGA Kimberley Zone / Regional Collaborative Group and to elect a replacement representative.

BACKGROUND

Councillor Sophie Cooke advised the Chief Executive Officer and Shire President in writing on 13/02/14 that she is no longer able to represent the Council on the WALGA Kimberley Zone / Regional Collaborative Group.

The current committee representation is:

Representative 1 John Moulden
Representative 2 Vacant
Proxy 1 Keith Wright
Proxy 2 Darren Spackman

Meetings are held quarterly with the next scheduled meeting in Kununurra from 28-30th March.

WALGA Kimberley Zone

The Western Australian Local Government Association ("WALGA") is the single association for Local Government, representing the political and strategic interests of Local Government at State and Federal levels. The Shire of Wyndham East Kimberley is a member of WALGA.

Local Governments are grouped into regional bodies called Zones (a geographically based subdivision containing Ordinary Members and is incorporated within a country or metropolitan constituency. The roles/functions of a Zone are primarily as follows:

- elect a State Council representative;
- consider the State Council agenda;
- provide direction/feedback to their State Councillor;
- develop/advocate positions on regional issues affecting Local Government;
- progress regional Local Government initiatives;
- identify relevant issues for action by WALGA;
- networking and sharing information; and
- Contributing to policy development through Policy Units and Policy Forums.

Zones:

- have an integral role in shaping the political and strategic direction of Local Government as a tier of government;
- are responsible for bringing relevant local and regional issues to the State decision making table;
- are a key player in developing policy and legislative initiatives for Local Government; and
- have direct relationships with the State Council of the Association, Policy Units and Policy Forums and the Secretariat of the Association.

Every Zone has at least one representative on State Council (the Kimberley Zone has 2 – the Zone Chair who is also the State Council representative and the Deputy Zone Chair who is the Deputy State Council Representative). Each representative is primarily responsible for ensuring that the Association is governed in the best interests of all member Local Governments. Representatives are also required to advocate the viewpoints and interests of their Zone on issues under consideration by State Council. At the 4 November 2013 meeting of the Kimberley Zone in Halls Creek a new Zone Chair who is also the State Council representative and a Deputy Zone Chair who is the Deputy State Council Representative will be elected.

Regional Collaborative Group

The Regional Collaborative Group (“RCG”), consisting of the Shire of Wyndham East Kimberley, Shire of Halls Creek, Shire of Broome and the Shire of Derby West Kimberley, was formed in September 2010 when an Agreement was signed by all 4 Shires, with the Director General of the Local Government Department.

The Group was formed with a view to adopting a regional approach to strategic and community planning and facilitating the harmonisation of core functions and services across the participating local governments. The Department of Local Government has tasked the RCG with developing a Regional Business Plan. The contents of the Regional Business Plan include but are not limited to the following:

Community and Strategic Plan:

- Social economic and environmental planning processes including consultation and priority assessment
- Demonstration of productivity and service improvements
- Infrastructure renewal schedule for a minimum of 4 years
- New infrastructure schedule for a minimum of 4 years
- Financial information including capital works budget, borrowings, other funding received and the rationale for using Country Local Government Fund funding
- Maintenance schedule for renewal/proposed assets
- Evaluation and review processes
- Conduct due diligence of each participants’ financial assets and liabilities, contracts, leases and other legal agreements

Infrastructure System Improvements:

- IT systems
- Record management systems
- Archive facilities
- Libraries community facilities
- Depots
- Financial systems

- Asset management systems
- Data systems
- Human resources management systems
- Communications

The RCG and Kimberley meetings are held at the same time and the Zone and RCG representatives are the same.

STATUTORY IMPLICATIONS

Appointments to official Committees of Council are bound by the rules and regulations of the Local Government Act 1995 Section 5.10.

POLICY IMPLICATIONS

Council policies in relation to reimbursements of costs incurred while undertaking the role of Councillor are relevant to this matter.

ATTACHMENTS

Attachment 1 – Letter of Resignation

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council:

- 1) Notes the resignation of Councillor Sophie Cooke effective immediately
- 2) Nominates a replacement for the vacant position of Representative 2 for the WALGA Kimberley Zone / Regional Collaborative Group

Nominations received for Election of zone representative

Cr Darren Spackman nominates Cr K Wright as representative 2 for the WALGA Kimberley Zone / Regional Collaborative Group

Cr K Wright nominates Cr B Robinson for proxy 1 representative for the WALGA Kimberley Zone / Regional Collaborative Group due to the position becoming vacant after Cr Spackman's election to representative 2.

COUNCIL DECISION

Minute No. 10367

Moved: Cr D Spackman

Seconded: Cr K Wright

That Council:

- 1) Notes the resignation of Councillor Sophie Cooke effective immediately**
- 2) Nominates Cr K Wright for the replacement for the vacant position of Representative 2 for the WALGA Kimberley Zone / Regional Collaborative Group**
- 3) Nominates Cr B Robinson for the vacant position of Proxy 1 for the WALGA Kimberley Zone / Regional Collaborative Group**

Carried Unanimously 9/0

Attachment 1 - Letter of Resignation

-----Original Message-----

From: Cr Sophie Cooke
Sent: Thursday, 13 February 2014 12:09 PM
To: Gary Gaffney; Cr John Moulden
Subject: Zone

Dear Gary and John

Due to personal reasons I am going to have to resign my position on the Zone.

Regards

Cr Sophie Cooke
Councillor

SHIRE of WYNDHAM | EAST KIMBERLEY

20 Coolibah Drive, PO Box 614 Kununurra WA 6743 | T: (08) 9168 4100 | F: (08) 9168 1798 | M:
0407344399 | www.swek.wa.gov.au

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13.7 ELECTED MEMBER REPORTS

Cr Moulden

4 March	Meeting with Mark Lewis MLC
6 March	Meeting with MG Corp re Garrjang Village
12 March	Road wise meeting GHD public workshop
14 March	Business after hours
24 March	Peter Stubbs Ord stage 3 Grammar school meeting
25 March	Meeting with Bond University

Cr D Learbuch

12 March 2014	RoadWise Committee Meeting
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Cr G Taylor

28 February 2014	Meeting with Peter Stubbs, Regional Development
7 March 2014	Meeting with Stuart Dyson, WaterCorp
11 March 2014	SWEK Grant Workshop
12 March 2014	Local Planning Strategy Public Forum, Kununurra
12 March 2014	EK Marketing Group Tourism Meeting
14 March 2014	Business After Hours

Cr K Wright

12 March 2014	EK Marketing Group Tourism Meeting
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COUNCIL DECISION

Minute No. 10368

Moved: Cr D Spackman

Seconded: Cr K Wright

Council accepts the Elected Member Reports from 28 February to 25 March 2014.

Carried Unanimously 9/0

13.8 CHIEF EXECUTIVE OFFICER REPORTS

The Chief Executive and Acting Chief Executive Officer attended the following meetings on behalf of Council:

4 March 2014	Meeting with Hon Mark Lewis, Member for the Mining and Pastoral region regarding Flood Damage and other issues within the Shire
6 March 2014	MG Elders Garijang Village & surrounds regarding cultural heritage issues
6 March 2014	Meeting with Grant Pipe, FESA
10 March 2014	Ord Valley Events Board Meeting
11 March 2014	Meeting with GHD to discuss first draft of reviewed Local Planning Scheme
12 March 2014	Local Planning Scheme Workshop
13 March 2014	Meeting with RSL regarding ANZAC Day
18 March 2014 Meeting	East Kimberley Regional Airport Security Committee
19 March 2014	Ngnowar Aerwah Aboriginal Corporation Stakeholder Forum
20 March 2014	Meeting with Mick Sutherland, WA Police
20 March 2014	Kalumburu Community and Economic Development Meeting
25 March 2014	LGMA North Branch Meeting

COUNCIL DECISION

Minute No. 10369

Moved: Cr K Wright

Seconded: Cr D Learbuch

Council accepts the Chief Executive Officer Reports from 4 March to 25 March 2014.

Carried Unanimously 9/0

14. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN
15. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN
16. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION

COUNCIL DECISION

Minute No. 10370

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

In accordance with section 5.23(2) of the Local Government Act 1995 that the meeting be moved behind closed doors to consider items 17.1 confidential – tender evaluation report T(dp)05 13/14.

Carried Unanimously 9/0

17. MATTERS BEHIND CLOSED DOORS

17.1 CONFIDENTIAL – TENDER EVALUATION REPORT T(DP)05 13/14

DATE:	25 March 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	N/A
AUTHOR:	Peter Friel, Manager East Kimberley Regional Airport
REPORTING OFFICER:	Gary Gaffney, Chief Executive Officer
FILE NO:	CM.16.70
ASSESSMENT NO:	Tender T05 13/14 Kununurra Airport Depot Plant and Equipment storage

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.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Minute No. 10371

**Moved: Cr D Learbuch
Seconded: Cr G Taylor**

That Council

- 1) Accepts the tender by East Kimberly Constructions of \$213,987 (ex GST) for the erection of the Kununurra Airport machinery shed.**
- 2) Allocates \$13,987 from the Airport reserve for the project.**

Carried Unanimously 9/0

17.2 APPOINTMENT OF DIRECTOR COMMUNITY DEVELOPMENT

DATE:	25 March 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	N/A
AUTHOR:	Gary Gaffney, Chief Executive Officer
REPORTING OFFICER:	Gary Gaffney, Chief Executive Officer
FILE NO:	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.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Minute No. 10372

Moved: Cr S Cooke

Seconded: Cr D Learbuch

That Council offers a 5 year contract of employment as Director Community Development to Louise Gee subject to the receipt of satisfactory National Police Certificate and Medical Certificate.

Carried Unanimously 9/0

17.3 DISPOSAL OF SHIRE PROPERTY – LOT 1384 (23) BOOBIALLA WAY, KUNUNURRA

DATE:	25 March 2014
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Lot 1384 (23) Boobialla Way, Kununurra
AUTHOR:	Julia Hall, Manager Property and Regulatory Services
REPORTING OFFICER:	Gary Gaffney, Chief Executive Officer
FILE NO:	CP.02.9
ASSESSMENT NO:	A2015

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.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Minute No. 10373

Moved: Cr G King

Seconded: Cr D Learbuch

That Council:

- 1) **Acknowledges and thanks Timothy Bice and Lynette June Westwood for their offer on Lot 1384 (23) Boobialla Way, Kununurra;**
- 2) **Seeks public submissions on the proposed disposition of property for a minimum of two (2) weeks in accordance with section 3.59 of the *Local Government Act 1995*;**
- 3) **Subject to no submissions being received within the requisite advertising period:-**
 - a. **Agrees to dispose of Lot 1384 (23) Boobialla Way, Kununurra, by way of sale to Timothy Bice and Lynette June Westwood in accordance with section 3.58(3) of the *Local Government Act 1995* (private treaty) for the price of \$389,000.00 in accordance with the Contract for Sale of Land or Strata Title by Offer and Acceptance documentation; and**
 - b. **Authorises the Chief Executive Officer and Shire President to duly execute the sale documentation with the common seal of the Shire of Wyndham East Kimberley.**

Carried Unanimously 9/0

COUNCIL DECISION

Minute No. 10374

Moved: Cr B Robinson

Seconded: Cr G King

That Council move out from behind closed doors

Carried Unanimously 9/0

18. CLOSURE

The Shire President declares the meeting closed at 6.32pm.