

I hereby certify that the Minutes of the Special Audit (Finance and Risk) Committee Meeting are a true and accurate record of the proceedings contained therein.

Chairperson

Date



SHIRE OF WYNDHAM | EAST KIMBERLEY

MINUTES
SPECIAL AUDIT (FINANCE
AND RISK) COMMITTEE

10 December 2015

CONTENTS

Item No	Description	Page No
1.	DECLARATIONS OF OPENING.....	3
2.	RECORD OF ATTENDANCE / APOLOGIES	3
3.	PUBLIC QUESTION TIME/ PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE	3
4.	DECLARATION OF INTEREST.....	3
5.	ACCEPTANCE OF MINUTES OF PREVIOUS MEETING	4
6.	DEPUTATIONS / PRESENTATIONS / SUBMISSIONS / NOTICES OF MOTIONS...	4
7.	REPORTS.....	4
7.1	AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015	4
8.	MATTERS BEHIND CLOSED DOORS.....	374
9.	DATE OF NEXT MEETING.....	374
10.	CLOSURE	374

**SHIRE OF WYNDHAM EAST KIMBERLEY
MINUTES OF THE SPECIAL AUDIT (FINANCE AND RISK)
COMMITTEE
KUNUNURRA COUNCIL CHAMBERS
HELD ON THURSDAY, 10 DECEMBER 2015 AT 3:00 PM**

1. DECLARATIONS OF OPENING

The Chair declared the meeting open at 3.01pm.

2. RECORD OF ATTENDANCE / APOLOGIES

Cr S Rushby	Councillor - Chairperson
Cr A Petherick	Councillor
C Askew	Chief Executive Officer
N Octoman	Director Corporate Services
D Klye	Director Infrastructure
M Tonkin	Executive Assistant (Minute Taker)

APOLOGIES

Cr B Robinson	Councillor – Deputy Chairperson
Cr N Perry	Councillor

LEAVE OF ABSENCE PREVIOUSLY APPROVED

Nil

GALLERY

Cr J Parker	Shire President
Brian Garrett	SWEK Staff
Niro Nandasiri	SWEK Staff
Rhonda Guierinoni	SWEK Rate Payers Association

3. PUBLIC QUESTION TIME/ PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4. DECLARATION OF INTEREST

Nil

5. ACCEPTANCE OF MINUTES OF PREVIOUS MEETING

Nil

6. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS / NOTICES OF MOTIONS

Teleconference with David Tomasi from Moore Stephens, the Shire's auditors.

David provides an overview of the Annual Financial Report.

No questions are asked.

7. REPORTS

7.1 AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

DATE:	10 December 2015
AUTHOR:	Natalie Octoman, Director Corporate Services
RESPONSIBLE OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.02.13
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit (Finance and Risk) Committee recommends to the Council that it:

1. Receives the Independent Auditor's Report to the Electors of the Shire of Wyndham East Kimberley;
2. Receives the 2014-15 Annual Financial Report;
3. Receives the Management Report for the Year Ended 30 June 2015 and notes the strategies that were implemented during the establishment of the 2014-15 and 2015-16 budgets in an effort to overcome the budget deficit position to improve the Shire's financial sustainability moving forward;
4. Adopts the budget amendments outlined in Attachment 3.

COMMITTEE RESOLUTION

Minute No. AC390

**Moved: Cr A Petherick
Seconded: Cr S Rushby**

That the Audit (Finance and Risk) Committee recommends to the Council that it:

- 1. Receives the Independent Auditor's Report to the Electors of the Shire of Wyndham East Kimberley;**
- 2. Receives the 2014-15 Annual Financial Report;**
- 3. Receives the Management Report for the Year Ended 30 June 2015 and notes the strategies that were implemented during the establishment of the 2014-15 and 2015-16 budgets in an effort to overcome the budget deficit position to improve the Shire's financial sustainability moving forward;**
- 4. Adopts the budget amendments outlined in Attachment 3**

Carried Unanimously 2/0

PURPOSE

To receive the audited 2014-15 Annual Financial Report (AFR) and Management Report issued by the Council's auditors Moore Stephens, for recommendation to the Council.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Regulator - enforce state legislation and local laws

BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE

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 2014-15 draft financial report to Moore Stephens on 30 September, and on 24 November 2015 received an unqualified audit opinion after the auditors were onsite during the week beginning the 12 October.

The AFR is 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 AFR 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 Council has formally delegated its responsibility in accordance with section 5.18 of the *Local Government Act 1995* to meet annually with the auditors as required by section

7.12A(2) of the *Local Government Act 1995*. The Terms of Reference adopted by the Council also incorporate the responsibility for the Committee to review and examine the auditor's report and any management letters arising from the conduct of the audit and recommending the adoption of the AFR to the Council.

STATUTORY IMPLICATIONS

Local Government Act 1995

6.4. Financial report

- (1) *A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.*
- (2) *The financial report is to —*
 - (a) *be prepared and presented in the manner and form prescribed; and*
 - (b) *contain the prescribed information.*
- (3) *By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —*
 - (a) *the accounts of the local government, balanced up to the last day of the preceding financial year; and*
 - (b) *the annual financial report of the local government for the preceding financial year.*

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

The Audited Annual Financial Report for year ended 30 June 2015 has been prepared in accordance with Council Policies *CP/FIN-3200 Strategic Rating* and *CP/FIN-3201 Significant Accounting Policies*.

FINANCIAL IMPLICATIONS

The Original Budget for 2015-16 provided for a carry forward deficit from 2014-15 of (\$0.357 million). The forecast carry forward deficit of (\$1.666 million) plus the net movement in unrestricted items for 2015-16 resulted in a projected closing balance as at 30 June 2016 of \$0.179 million surplus.

The finalisation of the 2014-15 AFR has resulted in an actual carry forward surplus of \$0.198 million (as shown in the Rate Setting Statement in the attached AFR). This has resulted in an improved position for 2014-15 of \$0.554 million when compared to the original budgeted closing deficit of (\$0.357 million), and a \$1.863 million improvement on the forecast brought forward deficit of (\$1.666 million). The improvement is mainly attributable to the variation in timing of capital projects, whereby the Shire now needs to take into account the required budget amendments as a result of the final position for 2014-15 to be able to ascertain the true anticipated position at 30 June 2016.

While the budget adjustments would normally be put forward as part of the Mid Year Budget Review process, it is proposed that some key adjustments be made at this point in time given the significant impact they have on the overall budgeted closing position at the end of 2015-16.

If the adjustments are not considered at this time, it will result in increased variation explanations and therefore Officer's time to complete the monthly financial reports, where the explanations will be as a result of a timing difference or it relates to a non-cash item (such as depreciation) and will be amended in the Mid Year Budget Review. The adjustments are also imperative to provide a more accurate budget position to both the administration and the community in terms of the 2015-16 financial year, and reduce the risk of significant budget variations.

The proposed adjustments are therefore outlined in Attachment 3 for consideration.

As demonstrated in the Statement of Comprehensive Income (by nature and type) in the AFR, the Shire's financial position is improving with an Operating Result from continuing operations of \$1.573 million and a carry forward surplus as at 30 June 2015 of \$0.198 million. Note 19 on page 58 of the report details the financial ratios which are a measure of the Shire's financial sustainability. All financial ratios of the Shire for 2014-15 are improving as a result of the decisions the Council made during the budget setting process for 2014-15. Asset sustainability is leading in this area, with the 2014-15 ratio exceeding the target established by the Department of Local Government and Communities.

While there appears at first glance to be three further ratios (Debt Service Cover, Operating Surplus and Own source Revenue Cover) that are now within the acceptable banding limits,

further analysis shows that two (2) of these ratios have been impacted by significant revenue and expenses relating to the Financial Assistance Grants (FAGS), the WANDRRA grant received and associated expenditure. These significant items result in the ratios being distorted, hence they have been reproduced with the significant items removed on Page 61 of the AFR, which then shows that only the Own Source Revenue Coverage Ratio is within the acceptable banding limits.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

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

Objective 1.4: Business innovation, efficiency and improved services

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

RISK IMPLICATIONS

Strategic - failure to comply with legislative requirements leading to damage of reputation and/or financial loss

Control - Annual Financial Audit

COMMUNITY ENGAGEMENT

The Shire of Wyndham East Kimberley's CP/GOV-3100 Community Engagement Policy has been considered in relation to this item.

No community engagement is required however the AFR was audited by officers of Moore Stephens, and will form part of the Annual Report, which will then be presented to the Annual General Meeting of Electors.

COMMENTS

Independent Audit Report

For 2014-15, it is the Auditor's opinion that the Shire's AFR present a true and fair view of the Shire's financial position, its financial performance, and cash flows for the year ended 30 June 2015; and comply with the Australian Accounting Standards (including Australian Accounting Interpretations).

Other Matters

No adverse trends in financial management practices were noted, nor were there any matters indicating non-compliance with the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written laws noted during the audit.

It should be highlighted that in 2013-14 there were adverse trends noted in the financial operations of the Shire by the auditors, which were clearly supported by the trends in the ratios contained within the AFR at that time. The auditors, while raising the adverse trends in the management report for 2013-14, had determined not to raise the matter in the audit report as:

1. The Council and management were well aware of the situation at the time of formulating the 2014-15 budget;
2. Significant action was taken by the Council when adopting the budget to repair the structural integrity of the ongoing operations of the Shire;
3. The attitude of both the Council and management since adoption to ensure that the budget as adopted is followed.

The Council's auditors commended both the Council and management on the strong and decisive action taken to alleviate the position during the 2014-15 budget setting process at that time, and indicated that they would continue to monitor the situation as it progressed.

As no adverse trends were identified in 2014-15 this is a clear indication that the action taken by the Council when adopting the 2014-15 budget was successful in repairing the integrity of the ongoing operations and that the budget as adopted, was appropriately implemented by the Council, management and Shire officers.

Officer's Comments

The AFR has been prepared within the legislative timeframes, notwithstanding the new requirements relating to the fair value of infrastructure and numerous staffing movements within the team.

The following comments provide an overview of the key variations between the adopted 2014-15 Budget, the 2014-15 Forecast Actuals that were presented in the adopted 2015-16 Budget, and the actual results for 2014-15. It is important that explanations are provided against the Forecast Actuals as this was the basis used for establishing the 2015-16 Budget.

2014-15 Budget and Forecast in Comparison to 2014-15 Actual Results: (Refer to Statement of Comprehensive Income by Nature or Type on Page 3 of the AFR)

- *Operating Revenue*

Actuals 2014-15 (\$ millions)	2014-15 Adopted Budget (\$ millions)	2014-15 Forecast Actuals (\$ millions)
\$28.655	\$24.277	\$27.876
<i>Variation Between Actuals</i>	\$4.378	\$0.779

The 2014-15 Actuals incorporate a prepayment of \$1.843 million relating to the Financial Assistance Grants (FAGS) that was received from the Grants Commission on 30 June and not originally anticipated in the budget given the prepayment process had initially ceased during 2013-14, and was not anticipated to re-commence. The final reimbursement from WANDRRA (Western Australia Natural Disaster Relief Recovery Arrangements) relating to the flood and associated road works was \$2.495 million more than originally included in the budget once all the works were complete. The forecast actuals took both of these items into account, hence there is a lot

smaller variation. Interim rate revenue, additional private works income and other minor variances make up the remaining variation.

- *Operating Expenditure*

Actuals 2014-15 (\$ millions)	2014-15 Original Budget (\$ millions)	2014-15 Forecast Actuals (\$ millions)
\$27.082	\$27.224	\$26.321
<i>Variation Between Actuals</i>	\$0.142	(\$0.761)

There are numerous variations that make up the minor difference ranging from salary savings due to vacancies, reduced interest expenses given the timing of when the new loans were taken out, and reduced depreciation costs that are non-impacting on the overall surplus or deficit position of the Shire.

In comparison to the forecast actuals whereby the variation is an overspend, the main difference is depreciation charges of \$0.491 million given the recognition of all assets now at fair value.

- *Non-Operating Grants*

Actuals 2014-15 (\$ millions)	2014-15 Original Budget (\$ millions)	2014-15 Forecast Actuals (\$ millions)
\$8.568	\$6.492	\$7.724
<i>Variation Between Actuals</i>	\$2.076	\$0.844

Again, there were numerous variations throughout the year, however they mainly related to funding received from RADS (Regional Airports Development Scheme) for the asphalt overlay project, and additional Roads to Recovery grants. This was partially offset by not receiving the grant income for the Lily Creek Lagoon boating facilities project as it hadn't commenced; reduced Regional Road Group funding and the Shire did not receive the weighbridge grant relating to a Zone initiative as it is no longer proceeding. Most of these variations were identified in the forecast actuals however the quantum forecast was still not as high as what actually took place for the RADS funding in particular.

- *Profit and Loss on Asset Disposals*

Actuals 2014-15 (\$ millions)	2014-15 Original Budget (\$ millions)	2014-15 Forecast Actuals (\$ millions)
(\$0.407)	\$0.211	(\$0.389)
<i>Variation Between Actuals</i>	(\$0.618)	\$0.018

The original budget incorporated the sale of a Shire-owned house and plant items whereby there was an anticipated surplus. Throughout the year it became apparent that the Shire house was not going to be sold prior to 30 June, and the profit would not be realised, hence the adjustment in the 2014-15 Mid Year Budget Review where the shortfall was partially recouped through a range of other savings measures.

Two (2) youth vehicles and a trailer were transferred to Save the Children and a youth bus was transferred to Wirrimanu Aboriginal Corporation. Both transfers were as required by the Department of Prime Minister and Cabinet who originally provided the funding for the vehicles, however this meant they were required to be written off of the Shire's asset register, along with other plant items which also contributed to the overall loss. Most of these items had been factored into the forecast actuals at the time.

- *Changes on revaluation of non-current assets (\$152.051 million)*

During 2014-15 the Shire finalised the transition to recognising assets at their fair value (meaning the price the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly transaction between independent, knowledgeable and willing market participants). The revaluation this year in particular was focussed on infrastructure assets such as roads and drainage. Revaluations are non-cash in nature, and are not provided for within the budget, however the results do have an overall impact on future depreciation costs, which are non-cash in nature also and do not have any impact on the final surplus or deficit position of the Shire.

- *Capital Expenditure*

Actuals 2014-15 (\$ millions)	2014-15 Original Budget (\$ millions)	2014-15 Forecast Actuals (\$ millions)
\$7.882	\$5.564	\$5.638
<i>Variation Between Actuals</i>	<i>(\$2.318)</i>	<i>(\$2.244)</i>

Major variations in projects relate to the anticipated timing of when works were undertaken, and are often closely tied to the receipt of non-operating income or reserve funding. The major variation in this case was the acceleration of the asphalt overlay project which was 50% part funded by RADS, and 50% funded by the Airport Reserve. This project was anticipated to run more-so into 2015-16 than what it did, therefore having a major impact on the forecast results, and the 2015-16 budget allocation.

It should be noted, that prior to the acceleration of this project, all Officer's were aware of the matter for cashflow purposes, along with disclosing this to the Council at its Ordinary Meeting in May and the arrangements that the Shire had made with the supplier to ensure the Shire's cashflow was managed appropriately. The acceleration therefore had no impact on the cash position of the Shire as at 30 June, but did vary significantly from the budget allocations and forecasts.

Proposed Budget Amendments

There are a number of budget amendments proposed as a result of the 2014-15 actual results which are outlined in Attachment 3. These particularly relate to depreciation changes related to the fair value revaluations, which are non-cash in nature and do not affect the overall surplus or deficit position of the Shire. Other amendments proposed are mainly associated with capital projects (in particular the asphalt overlay project) that were not finalised prior to 30 June and require carrying over into 2015-16 as they are tied to external funding sources such as Roads to Recovery or they are loan funded for example. Many have a flow-on effect to the Unspent Grants and Loans Reserve, therefore the transfers to and from the reserve accounts have been included in this review also.

The overall impact of the adjustments proposed is an increase in the budgeted surplus for 2015-16 from \$0.179 million to \$0.269 million, hence it is important for the Committee to recommend to the Council that it consider the proposed budget amendments now rather than to present a \$1.863 million surplus which is not actually available, and wait until about March when the Mid Year Budget Review is finalised.

As outlined in the agenda item presented to the Council in August 2015 when the budget was adopted, it was anticipated that a surplus would be required to account for year-end adjustments that may occur in 2014-15 with a balanced budget anticipated by the end of 2015-16. There were certain assumptions incorporated into the budget prioritisation process with Councillors to ensure that there wasn't an over-allocation of funds during that process.

One of the assumptions was around accruals for salaries of \$0.248 million, which had not been calculated nor entered into the financial system at the time of the budget process. The accrual actually required for salaries was only \$0.152 million therefore resulting in a \$0.096 million increase to the proposed surplus. Also, there were staff entitlements paid out to particular staff members upon their resignation whereby the entitlements were factored into the forecast actuals. During the year-end process for reserves however, it was identified that several staff members had formally transferred cash amounts to the Shire which were being held within the Staff Entitlements Reserve. As a result of paying these to the staff members upon resignation, the Shire could then transfer the funds out of the Reserve to the Municipal account to essentially replenish the funds that had been previously expended. This was not accounted for in the forecast results and accounts for another \$0.118 million of the surplus.

While Officers have reviewed many accounts during this process, it should not be mistaken for the Mid Year Budget Review process whereby all accounts are reviewed by responsible officers in conjunction with the finance team and Executive. During the Mid Year Budget Review process, it is likely that further carryover will be identified whereby operating projects were not quite complete during 2014-15 and where there were contracts in place on 30 June, the funding will be carried over utilising the revised surplus of \$0.108 million that is outlined in the Revised Rate Setting Statement in Attachment 3.

ATTACHMENTS

Attachment 1 - Management Report for the Year Ended 30 June 2015

Attachment 2 - Shire of Wyndham East Kimberley Annual Financial Report for the Year Ended 30 June 2015, including Independent Auditor's Report to the Electors of the Shire of Wyndham East Kimberley.

Attachment 3 - Revised Rate Setting Statement and proposed budget amendments for 2015-16.

Attachment 4 - Minutes from 25 August 2015 Ordinary Council Meeting.

Attachment 5 - Excerpt from the Western Australian Local Government Accounting Manual published by the Department of Local Government and Communities to provide descriptions of program classifications to Councillors for information purposes only.

24 November 2015

MOORE STEPHENS

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

Dear Cr Parker

MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2015

We advise that we have completed our audit procedures for the year ended 30 June 2015 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

Ratios provide useful information when compared to industry and internal benchmarks and assist in identifying trends. Whilst not conclusive in themselves, understanding ratios, their trends and how they interact is beneficial for the allocation of scarce resources and planning for the future. Information relating to the statutory ratios disclosed in the financial report is summarised in the table below and commentary provided on the following pages.

	Target Ratio ¹	Actual 2015	Council's Adjusted Ratios				Council's 4 Year Trend ²	3 Year Average ³	
			2015	2014	2013	2012		Regional	State
Current Ratio	≥ 1	0.81	0.81	0.41*	1.06	1.61	↓	2.27	2.16
Asset Sustainability Ratio	≥ 1.1	1.16	1.16	0.47	1.50	0.92	↑	1.28	1.29
Debt Service Cover Ratio	≥ 15	6.79	4.06*	1.70*	5.21*	3.34	↑	5.36	14.43
Operating Surplus Ratio	≥ 0.15	0.07	(0.10)*	(0.30)*	(0.10)*	0.04	↑	1.17	0.04
Own Source Revenue Coverage Ratio	≥ 0.9	0.62	0.70*	0.62*	0.65*	0.63	↑	0.54	0.69
Asset Consumption Ratio	≥ 0.75	0.65	0.65	0.44	0.50	0.55	↑	0.51	0.68
Asset Renewal Funding Ratio	≥ 1.05	N/A	N/A	N/A	N/A	N/A	N/A	1.74	0.88

¹ Target ratios per Department of Local Government Guidelines except the Debt Service Ratio which is a target devised by Moore Stephens (and based on experience).

² The 4 year trend compares the 2015 ratio to the average of the adjusted ratios for the last 4 years (except for the Asset Consumption Ratio, which is a 3 year trend and the Asset Renewal Funding Ratio which is a 2 year trend).

³ The average in relation to the Regional and State comparisons is a 3 year average of 2012, 2013 and 2014 as information in relation to 2015 is not yet available.

* Adjusted for "one-off" timing/non-cash items.

SHIRE OF WYNDHAM EAST KIMBERLEY
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2015 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 24 day of NOVEMBER 2015



Carl Askew
Chief Executive Officer

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

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

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

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

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

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

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

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

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

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

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

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

**SHIRE OF WYNDHAM EAST KIMBERLEY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2015**

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

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

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or-
 - (II) Infrastructure;

and

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

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

In 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

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

Land under control

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

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revaluation

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

Land under roads

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

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

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

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

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Capitalisation threshold

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

(g) Fair Value of Assets and Liabilities

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

Fair Value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

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

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

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Shire has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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

(iv) Available-for-sale financial assets

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (continued)

Classification and subsequent measurement (continued)

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

(v) Financial liabilities

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

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits (Continued)

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(l) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

(m) Provisions

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

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

(n) Leases

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

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

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

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

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

(o) Investment in Associates

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates (Continued)

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

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(p) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

(q) Rates, Grants, Donations and Other Contributions

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

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

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

(r) Superannuation

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(v) Budget Comparative Figures

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

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

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i)	AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii)	AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	September 2012	1 January 2018	Nil - The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Shire (refer (i) above).
	[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]			

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

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures.</p>
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	<p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.</p> <p>It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.</p>

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

2. REVENUE AND EXPENSES

2015 **2014**
\$ **\$**

(a) Net Result

The Net result includes:

(i) Charging as an expense:

Significant expense and revenue

Governance	0	1,622,019
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This significant expense in 2014 relates to revenue received during the year ended 30 June 2012 in relation to CLGF funding for Kimberley Zone housing construction. In January 2014, the Shire of Broome took over the Kimberley Zone Secretariat and was to hold the regional funding allocations, therefore requiring the transfer of \$1,622,019 to Broome.

Auditors remuneration

- Audit of the annual financial report	38,432	22,500
- Financial Management Review	0	8,000
- CEO Regulation 17 Review	21,593	0
- Assistance with the finalisation of the annual financial report	3,300	16,115
- Audit of grant funded projects and other services	10,950	14,700

Depreciation

Non-specialised buildings	643,967	624,287
Specialised buildings	1,143,859	1,124,300
Land under control - buildings	315,692	273,290
Furniture and equipment	228,566	226,290
Plant and equipment	676,752	725,321
Roads	1,788,566	1,678,191
Drainage	38,212	25,190
Airfields	220,549	220,549
Bridges	14,289	10,438
Footpaths	80,345	80,345
Infrastructure Other	625,209	661,208
	5,776,006	5,649,409

Interest expenses (finance costs)

Debentures (refer Note 22 (a))	305,623	259,005
	305,623	259,005

Rental charges

- Operating leases	86,248	241,156
	86,248	241,156

Other revenue

Reimbursements and recoveries	191,916	186,019
Other	427,651	380,982
	619,567	567,001

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

2. REVENUE AND EXPENSES (Continued)

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

Vision

For the East Kimberley to be a thriving community with opportunities for all.

Mission

To enable the East Kimberley to develop in a manner that will achieve social, cultural, economic and environmental benefits for all.

Commitment

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

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

Council operations as disclosed in these financial statements encompass the following service orientated activities/programs.

GOVERNANCE

Objective:

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

Activities:

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

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

EDUCATION AND WELFARE

Objective:

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

Activities:

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

HOUSING

Objective:

To provide and maintain staff and residential housing.

Activities:

Provision of staff and residential housing.

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objectives (Continued)

RECREATION AND CULTURE

Objective:

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

Activities:

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

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, depot maintenance and the provision and operation of airport services.

ECONOMIC SERVICES

Objective:

To help promote the Shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control Shire's overheads operating accounts.

Activities:

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

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

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
		Balance ⁽¹⁾ 1/07/13 \$	2013/14 2013/14 \$	2013/14 2013/14 \$	Balance ⁽¹⁾ 30/06/14 \$	2014/15 2014/15 \$	2014/15 2014/15 \$	Balance 30/06/15 \$
Royalties for Regions - 2011/12 (CLGF)	Transport	272,735	0	(207,035)	65,700	1,260	(4,783)	62,177
Royalties for Regions - 2012/13 (CLGF)	Various	0	948,377	(248,936)	699,441	11,469	(119,499)	591,411
Royalties for Regions - 2012/13 (Regional CLGF)	Housing	0	0	0	0	956,842	(956,842)	0
Regional Road Group - Main Roads	Transport	181,722	591,999	(498,576)	275,145	790,540	(1,065,685)	0
Roads to Recovery	Transport	43,406	0	(43,406)	0	684,278	(589,345)	94,933
Road Upgrade - Carlton Hill Road	Transport	221,365	0	(20,365)	201,000	225,000	(276,476)	149,524
State Local Road Black Spot	Transport	0	81,334	(65,600)	15,734	55,308	(71,041)	1
Aboriginal Access Roads - Federal Grant (WALGGC)	Transport	0	413,934	(366,515)	47,419	407,481	(113,163)	341,737
Aboriginal Access Roads - State Grant 2013/14	Transport	0	165,574	(165,574)	0	66,393	(66,393)	0
Aboriginal Access Roads - State Grant 2014/15	Transport	0	0	0	0	81,496	(30,008)	51,488
Childrens Book Week	Recreation and Culture	2,408	4,300	(5,648)	1,060	4,650	(1,060)	4,650
Contribution to Local Planning Strategy	Community Amenities	0	100,000	(94,000)	6,000	0	(1,032)	4,968
East Kimberley Development Package	Various	728,585	0	(726)	727,859	0	(727,859)	0
Wyndham Community Resource Centre (CRC) - Remote Indigenous Public Internet Access programme	Community Amenities	0	28,341	0	28,341	24,360	(20,246)	32,455
Sustainable Regions Grant	Transport	26,300	0	0	26,300	0	(26,300)	0
Kids in Sport	Recreation and Culture	23,414	0	(23,414)	0	25,000	(11,657)	13,343
Takeaway Alcohol Management System - Kimberley Zone	Governance	0	0	0	0	28,559	0	28,559
Wyndham Community Resource Centre (CRC) - Operational	Recreation and Culture	0	65,000	(65,000)	0	102,000	(88,099)	13,901
Wyndham Community Resource Centre (CRC) - Building & Infrastructure Grant Fund	Recreation and Culture	0	90,000	(90,000)	0	0	0	0
Kununurra Swimming Complex	Recreation and Culture	0	0	0	0	30,000	(30,000)	0
Wyndham Swimming Complex	Recreation and Culture	0	0	0	0	30,000	(30,000)	0
Youth Services Wyndham (DCPFS)	Community Amenities	0	0	0	0	62,784	(62,784)	0

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

	Note	2015 \$	2014 \$
3. CASH AND CASH EQUIVALENTS			
Cash on Hand - Unrestricted		1,700	1,700
Cash at Bank - Municipal		2,859,526	650,655
Restricted Reserves		14,169,234	8,263,354
		<u>17,030,460</u>	<u>8,915,709</u>
Cash at Bank - Municipal			
Unrestricted Cash		2,859,526	(2,631,830)
Restricted Cash - Unspent Grants	2(c)	0	2,093,999
Restricted Cash - Unspent Loans	22(c)	0	1,188,486
		<u>2,859,526</u>	<u>650,655</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Waste Management	12	402,154	179,151
Airport General	12	4,889,302	6,373,410
Plant and Equipment	12	2,844	2,761
Parking	12	115,609	112,247
Non-Potable Water	12	91,902	89,230
Civic Buildings	12	0	7,609
East Kimberley Tourism	12	136,129	127,431
Foreshore	12	198,844	121,875
Staff Entitlement	12	112,208	223,934
Recreation Hardcourts	12	53,293	26,000
Bio Security	12	268,383	267,364
Childcare	12	147,365	132,688
Parks	12	316,712	307,502
Legal Fees	12	0	3,514
Youth Bus	12	0	19,186
Footpaths	12	277,522	269,452
Goomig Farmlands Roads Reserve	12	2,889,313	0
Unspent Grants and Loans Reserve	*	4,267,654	0
		<u>14,169,234</u>	<u>8,263,354</u>

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

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

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

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

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

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) 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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Freehold land	12,937,000	0	0	0	0	0	0	12,937,000
Land vested in and under the control of Council	3,108,474	0	0	0	0	0	0	3,108,474
Total land	16,045,474	0	0	0	0	0	0	16,045,474
Land under control - buildings	4,562,186	0	0	0	0	(315,692)	0	4,246,494
Non-specialised buildings	15,088,728	21,239	(27,780)	0	0	(643,967)	0	14,438,220
Specialised buildings	27,576,560	630,886	(293,990)	0	0	(1,143,859)	122,062	26,891,659
Total buildings	47,227,474	652,125	(321,770)	0	0	(2,103,518)	122,062	45,576,373
Total land and buildings	63,272,948	652,125	(321,770)	0	0	(2,103,518)	122,062	61,621,847
Furniture and equipment	849,791	29,517	0	0	0	(228,566)	0	650,742
Plant and equipment	4,148,035	27,257	(142,663)	0	0	(676,752)	0	3,355,877
Property, plant and equipment - work in progres	385,580	0	0	0	0	0	(122,062)	263,518
Total property, plant and equipment	68,656,354	708,899	(464,433)	0	0	(3,008,836)	0	65,891,984

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Freehold land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	July 2013	Market Value, utilising comparable sales evidence for similar type properties. This method of valuation is referred to as the direct comparison approach which takes into consideration factors such as location, zoning, land area, development potential, topography & current market conditions.
Freehold land	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	July 2013	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Land vested in and under the control of Council	3	Improvements to land valued using cost approach using depreciated replacement cost	Management Valuation	July 2013	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Non-specialised buildings	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuers	July 2013	Market Value, utilising comparable sales evidence for similar type properties. This method of valuation is referred to as the direct comparison approach which takes into consideration factors such as location, zoning, land area, development potential, topography & current market conditions.
Non-specialised buildings	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	July 2013	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Specialised buildings	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	July 2013	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Land under control - buildings	3	Improvements to land valued using cost approach using depreciated replacement cost	Management Valuation	July 2013	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2013	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment	2	Market approach using recent observable market data for similar plant items	Independent registered valuers	June 2013	Price per item

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

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

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

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

8. INFRASTRUCTURE (Continued)

(b) 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.

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements)	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$
Roads	33,795,955	1,912,327	0	98,257,582	0	(1,788,566)	1,038,080	133,215,378
Drainage	1,430,626	276,476	0	7,587,111	0	(38,212)	169,879	9,425,880
Airfields	3,502,393	4,720,574	0	11,356,642	0	(220,549)	151,211	19,510,271
Bridges	374,379	0	0	28,023,440	0	(14,289)	0	28,383,530
Footpaths	907,950	0	0	5,194,129	0	(80,345)	0	6,021,734
Infrastructure Other	13,597,064	5,894	0	1,632,392	0	(625,209)	9,124	14,619,265
Infrastructure - Work in Progress	1,615,630	257,794	0	0	0	0	(1,368,294)	505,130
Total infrastructure	<u>55,223,997</u>	<u>7,173,065</u>	<u>0</u>	<u>152,051,296</u>	<u>0</u>	<u>(2,767,170)</u>	<u>0</u>	<u>211,681,188</u>

The revaluation of infrastructure assets resulted in an increase on revaluation of \$152,051,296 in the net value of infrastructure.

All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 13) and was recognised as Changes on Revaluation of non-current assets 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 2015

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

10. LONG-TERM BORROWINGS

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

Additional detail on borrowings is provided in Note 22.

11. PROVISIONS

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

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

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

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

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

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

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

All of the Reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

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

12. RESERVES - CASH BACKED (CONTINUED)

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

(a) Waste Management

This Reserve is for the upgrade and rationalisation of Refuse Disposal Facilities within the Shire.

(b) Airport General

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

(c) Plant and Equipment

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

(d) Parking

This Reserve is for the land purchase and/or the construction and maintenance of vehicle parking facilities within the Shire.

(e) Non-Potable Water

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

(f) Civic Buildings

This Reserve is for the construction and/or capital maintenance of Civic Buildings within the Shire.

(g) East Kimberley Tourism

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

(h) Foreshore

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

(i) Staff Entitlement

This Reserve is to provide for Shire employee's entitlements.

(j) Recreation Hardcourts

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

(k) Bio Security

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

(l) Childcare

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

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

12. RESERVES - CASH BACKED (CONTINUED)

(m) Parks

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

(n) Legal Fees

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

(o) Youth Bus

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

(p) Footpaths

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

(q) Asset Management

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

(r) Goomig Farmlands Roads Reserve

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

(s) Unspent Grants and Loans Reserve

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

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

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

13. REVALUATION SURPLUS

2015
\$

2014
\$

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

(a) Land and buildings

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

(b) Plant and equipment

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

(c) Roads

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

(d) Drainage

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

(e) Airfields

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

(f) Bridges

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

(g) Footpaths

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

(h) Infrastructure Other

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

TOTAL ASSET REVALUATION SURPLUS

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

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

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

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

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

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

15. CONTINGENT LIABILITIES

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

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

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

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

19. FINANCIAL RATIOS

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

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

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

Below acceptable banding

Within acceptable banding

Above target as per

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

19. FINANCIAL RATIOS (Continued)

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

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

19. FINANCIAL RATIOS (Continued)

2013

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

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

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

FINANCIAL RATIOS

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

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

20. TRUST FUNDS

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

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

21. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

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

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

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

22. INFORMATION ON BORROWINGS (Continued)

(a) Repayments - Debentures (Continued)

Particulars	Principal 1 July 2014 \$	New Loans \$	Principal Repayments		Principal 30 June 2015		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Transport								
Building and Infrastructure L130	0	303,218	0	24,037	303,218	279,181	574	15,794
	7,575,899	1,803,218	2,261,457	2,406,937	7,117,660	6,972,180	305,623	375,148

All loan repayments were financed by general purpose revenue.

(b) New Debentures - 2014/15

Particulars/Purpose		Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
		Actual \$	Budget \$						Actual \$	Budget \$	
Administration Building L129		1,500,000	1,500,000	WATC	Debenture	10	301,306	3.01%	1,500,000	1,500,000	0
Building and Infrastructure L130		303,218	303,218	WATC	Debenture	10	67,209	3.32%	134,117	303,218	169,101
		1,803,218	1,803,218				368,515		1,634,117	1,803,218	169,101

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

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

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

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

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

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

24. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

The Shire of Wyndham East Kimberley did not impose any Specified Area Rates for the 2014/15 financial year.

25. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

The Shire of Wyndham East Kimberley did not impose any service charges on any of the prescribed services listed under Regulation 54 of the *Local Government (Financial Management) Regulations 1996* for the 2014/15 financial year.

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2014/15 FINANCIAL YEAR**

		Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Concessions					
Wyndham Picture Gardens	A502	Concession	100%	1,572	1,429
Lake Kununurra Golf Club	A4993	Concession	100%	8,789	8,789
Ord River Sailing Club	A7561	Concession	100%	2,041	2,040
Kununurra Race Club	A2859	Concession	100%	3,139	3,139
Kununurra Motocross Club	A5616	Concession	100%	2,097	2,097
Kununurra Progress Association	A1072	Concession	100%	16,183	14,711
Ord River Pistol Club	A2866	Concession	100%	2,059	2,059
Kununurra Speedway	A5621	Concession	100%	2,059	2,059
Kununurra Ski Club	A7566	Concession	100%	2,040	2,040
Kununurra Agricultural Society	A7620	Concession	100%	2,812	2,557
Transitional Provision Allowance				0	5,001
				42,791	45,921

Note

The Shire recognises the value and importance of the services and contributions that community groups and associations provide to the community for the East Kimberley to be a thriving community with opportunities for all.

Concessions are considered by the Council every two (2) years, and are based upon the applicant meeting particular conditions outlined in Council's Policy *CP/FIN-3209 Rates Concession Policy (Rateable Land)*. For 2014/15, the Concessions outlined above were approved by either the Council at the 13 May 2014 Special Council Meeting (Minute No. 10406) or through a subsequent consideration at the 29 July 2014 Ordinary Council Meeting (Minute No. 10475).

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

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

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

Note

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

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

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

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

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

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

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

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

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

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

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

29. GRANT REVENUE

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

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

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

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

31. ELECTED MEMBERS REMUNERATION

2015	2015	2014
\$	Budget	\$
	\$	

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

Meeting Fees	135,140	135,140	127,406
President's allowance	30,000	30,000	23,702
Deputy President's allowance	7,500	7,500	4,303
Travelling expenses	1,329	2,000	1,605
	173,969	174,640	157,016
	173,969	174,640	157,016

32. MAJOR LAND TRANSACTIONS

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

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

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

34. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

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

Fair value is determined as follows:

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

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

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

Cash is also subject to interest rate risk - the risk that movements in interest rates could affect returns.

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

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

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

Notes:

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

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

34. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

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

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

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

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

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

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

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings (continued)

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

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

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

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

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of the Shire of Wyndham – East Kimberley, which comprises the statement of financial position as at 30 June 2015, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

Management's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Opinion

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

- a) giving a true and fair view of the Shire's financial position as at 30 June 2015 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

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

Report On Other Legal and Regulatory Requirements

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) 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 80 of this report, we have reviewed the calculations of 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

MOORE STEPHENS
CHARTERED ACCOUNTANTS



DAVID TOMASI
PARTNER

Signed at Perth this 24th day of November 2015.

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

RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report

	2015	2014	2013
Asset consumption ratio	0.65	0.44	0.50
Asset renewal funding ratio	*	*	N/A

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

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

**SHIRE OF WYNDHAM EAST KIMBERLEY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2016**

	2015-16 Revised Budget \$	Budget Amendments \$	2015-16 Budget \$	2014-15 Actual \$	2014-15 Forecast Actuals \$	2014-15 Budget \$	Budget Amendment Explanations
Revenue							
Governance	158,872	8,000	150,872	1,079,450	1,056,119	1,086,042	Additional funding received from the Zone for TAMS.
General purpose funding	2,547,115	0	2,547,115	6,303,878	6,303,615	4,413,934	
Law, order, public safety	200,049	0	200,049	420,470	420,469	563,854	
Health	128,574	36,068	92,506	74,905	69,215	80,500	Increased revenue received in 2015/16 from CLAG for mosquito control.
Education and welfare	11,500	0	11,500	82,755	81,706	77,000	
Housing	121,590	0	121,590	192,822	190,416	430,453	
Community amenities	2,564,733	0	2,564,733	2,443,593	2,445,211	2,483,863	
Recreation and culture	2,004,947	0	2,004,947	859,757	855,309	724,402	
Transport	6,956,786	(1,645,899)	8,602,685	16,223,237	14,636,989	11,738,280	<p>(\$163,554) reduction in revenue relating to Roads to Recovery projects for 2015/16 (\$300k - Bridge 5116, \$400k Sprayseal roads in Wyndham townsite, \$300k Drainage Upgrade Nutwood and Rosewood, \$21k Miniata Drainage, \$296k Kalumburu Rd 14/15 and 15/16 Contributions) from the revenue initially proposed in the budget.</p> <p>(\$1,481,675) reduction in amount to be received as claimed in 2014/15 for the asphalt overlay project.</p> <p>(\$670) reduction in funding confirmed for 2015/16 for State Local Road Black Spot.</p>
Economic services	96,365	0	96,365	82,837	81,511	97,923	
Other property and services	371,933	0	371,933	215,201	215,201	103,266	
	15,162,464	(1,601,831)	16,764,295	27,978,905	26,355,760	21,799,517	
Expenses							
Governance	(936,227)	(6,000)	(930,227)	(1,654,584)	(1,619,092)	(1,440,658)	Audit fees to carry forward relating to a process review that is not yet finalised.
General purpose funding	(573,835)	0	(573,835)	(479,648)	(464,855)	(559,166)	
Law, order, public safety	(607,280)	(14,889)	(592,391)	(522,068)	(490,680)	(700,194)	Depreciation adjustment as a result of fair value methodology being applied. Non-cash and does not impact on surplus/(deficit).
Health	(339,915)	(40,276)	(299,639)	(304,018)	(283,218)	(324,635)	<p>(\$40,263) increase in expenditure to recognise all revenue received in relation to the CLAG agreement.</p> <p>(\$13) increase in depreciation as a result of fair value methodology being applied. Non-cash and does not impact on surplus/(deficit).</p>
Education and welfare	(287,186)	(43,645)	(243,541)	(318,501)	(299,424)	(290,794)	<p>(\$43,492) additional funding received for the implementation of the TAMS program from both 2014/15 and 2015/16.</p> <p>(\$153) increase in depreciation as a result of fair value methodology being applied. Non-cash and does not impact on surplus/(deficit).</p>
Housing	(604,912)	(468)	(604,444)	(643,030)	(616,945)	(768,906)	Depreciation adjustment as a result of fair value methodology being applied. Non-cash and does not impact on surplus/(deficit).
Community amenities	(4,138,074)	6,474	(4,144,548)	(4,015,647)	(3,817,226)	(5,438,987)	Depreciation adjustment as a result of fair value methodology being applied. Non-cash and does not impact on surplus/(deficit).
Recreation and culture	(7,052,658)	(155,568)	(6,897,090)	(6,058,653)	(5,747,782)	(6,650,059)	<p>(\$135,622) increase in depreciation as a result of fair value methodology being applied. Non-cash and does not impact on surplus/(deficit).</p> <p>(\$13,343) carryover for KidSport as funds were received in 2014/15 and weren't expended.</p> <p>(\$6,603) carryover required for the Wyndham CRC's RIPIA expenditure as funding was received in 2013/14 and 2014/15 that hasn't been entirely expended.</p>
Transport	(10,169,386)	(1,557,994)	(8,611,392)	(11,143,926)	(10,684,732)	(9,595,620)	<p>(\$1,398,644) increase in depreciation as a result of fair value methodology being applied. Non-cash and does not impact on surplus/(deficit).</p> <p>(\$15,000) carryover of funds associated with the tourism contribution as not expended in 2014/15.</p> <p>(\$144,350) expenditure allocation for the airport runway extension assessment and business case required to be transferred from capital into operating, expenditure allocation for the airport runway extension assessment and business case required to be transferred from capital into operating.</p>
Economic services	(326,592)	4,389	(330,981)	(463,318)	(443,808)	(517,691)	Depreciation adjustment as a result of fair value methodology being applied. Non-cash and does not impact on surplus/(deficit).

**SHIRE OF WYNDHAM EAST KIMBERLEY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2016**

	2015-16 Revised Budget \$	Budget Amendments \$	2015-16 Budget \$	2014-15 Actual \$	2014-15 Forecast Actuals \$	2014-15 Budget \$	Budget Amendment Explanations
Other property and services	(1,639,028)	(15,692)	(1,623,336)	(1,897,579)	(2,254,350)	(936,967)	Depreciation adjustments and associated recovery adjustments as a result of fair value methodology being applied. Non-cash and does not impact on surplus/(deficit).
	<u>(26,675,093)</u>	<u>(1,823,669)</u>	<u>(24,851,424)</u>	<u>(27,500,972)</u>	<u>(26,722,113)</u>	<u>(27,223,677)</u>	
Net result excluding rates	(11,512,629)	(3,425,500)	(8,087,129)	477,933	(366,353)	(5,424,160)	
Adjustments for cash budget requirements:							
Non-cash expenditure and revenue							
(Profit)/Loss on asset disposals	(40,211)	0	(40,211)	407,229	389,448	(210,891)	
Movement in deferred pensioner rates (non-current)	0	0	0	(2,780)	0	0	
Movement in employee benefit provisions	0	0	0	(130,347)	0	5,000	
Depreciation and amortisation on assets	7,185,788	1,420,600	5,765,188	5,776,006	5,284,756	6,036,820	Depreciation adjustment as a result of fair value methodology being applied. Non-cash and does not impact on surplus/(deficit).
Capital Expenditure and Revenue							
Purchase of land and buildings	(217,869)	(21,239)	(196,630)	(652,125)	(513,366)	(638,000)	Carryover required for Wyndham administration building given power supply was not addressed prior to year-end. Funds are from unspent loans.
Purchase furniture and equipment	(176,100)	0	(176,100)	(29,517)	(45,139)	(116,500)	
Purchase plant and equipment	(1,371,043)	0	(1,371,043)	(27,257)	(8,200)	(124,962)	
Purchase roads	(6,106,607)	(226,723)	(5,879,884)	(1,912,327)	(2,281,432)	(2,393,929)	(\$74,993) Carryover of unspent funds from 2014/15 for Kalumburu Road. \$976 Adjustment relating to actual expenditure from 2014/15 for Carlton Hill Road. (\$152,706) Carryover of funds allocated in 2014/15 required for 2015/16 for Mangaloo Street.
Purchase drainage	(569,270)	(16,300)	(552,970)	(276,476)	(151,509)	(358,358)	(\$13,193) Carryover required for drainage upgrades as CLGF allocation and project is not yet complete. (\$3,107) Carryover required for Miniata Street as CLGF allocation and project is not yet complete.
Purchase airfields	(1,442,386)	2,698,398	(4,140,784)	(4,720,574)	(2,264,488)	(791,979)	\$2,554,048 reduction in budget allocation required for asphalt overlay project at the airport given works were further progressed than anticipated at 30 June. \$144,350 Transfer budget for runway extension assessment and business case to operating expenditure.
Purchase bridges	(300,000)	0	(300,000)	0	0	0	
Purchase footpaths	(109,315)	0	(109,315)	0	(15,235)	(31,000)	
Purchase infrastructure other	(2,296,286)	0	(2,296,286)	(5,894)	(358,634)	(1,109,558)	
Purchase infrastructure - work in progress	0	0	0	(257,794)	0	0	
Proceeds from disposal of fixed assets	363,237	0	363,237	57,204	57,204	394,000	
Repayment of debentures	(954,447)	0	(954,447)	(2,261,457)	(2,261,456)	(2,406,937)	
Proceeds from new debentures	0	0	0	1,803,218	1,803,218	1,803,218	
Transfers to reserves (restricted assets)	(5,648,118)	1,059,354	(6,707,472)	(11,480,650)	(9,734,244)	(4,000,605)	Airport Reserve: \$1,641,026 reduction in amount to be transferred to the reserve relating to RADS as claimed in 2014/15. Unspent Grants and Loans Reserve: \$3,437,444 Process was modified to identify unspent loans and grants on separate account numbers. (\$3,437,444) transfer between accounts as process modified for unspent grants and loans to separate the transactions appropriately. (\$545,604) additional income to be transferred to the Unspent Grants and Loans Reserve. Contiguous Local Authority Group (CLAG) Reserve: (\$36,068) increase in revenue received from CLAG to be transferred into the reserve.

**SHIRE OF WYNDHAM EAST KIMBERLEY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2016**

	2015-16 Revised Budget \$	Budget Amendments \$	2015-16 Budget \$	2014-15 Actual \$	2014-15 Forecast Actuals \$	2014-15 Budget \$
Transfers from reserves (restricted assets)	13,315,433	(3,261,314)	16,576,747	5,574,770	941,111	1,253,687
ADD Estimated surplus/(deficit) July 1 b/fwd	197,606	1,863,481	(1,665,875)	(1,397,052)	(1,397,052)	(1,423,053)
LESS Estimated surplus/(deficit) June 30 c/fwd	269,348	90,757	178,591	197,606	(1,665,876)	(356,592)
Total amount raised from general rate	<u>(9,951,565)</u>	<u>0</u>	<u>(9,951,565)</u>	<u>(9,255,496)</u>	<u>(9,255,495)</u>	<u>(9,180,615)</u>

Budget Amendment Explanations

Waste Management Reserve:

(\$41,550) returning to waste management reserve as the waste water treatment facility was incorrectly funded by the Waste Reserve and should be from Non-Potable Water Reserve.
\$69,741 of landfill cover lids project funded by waste management reserve, with remaining project funds (totalling \$120k) funded by unspent loan.
(\$76,624) for rehab and decommission of landfill site formerly funded by reserve should be funded by unspent waste management loan.

Airport Reserve:

\$15,000 Carryover of tourism contribution.
(\$4,198,120) reduction in amount required relating to RADS as expended in 2014/15.

Non-Potable Water Reserve:

\$41,550 for waste water treatment facility were initially allocated from the Waste Management Reserve when it should be the Non-Potable Water Reserve. This is a correction adjustment.

Footpath Reserve:

\$31,000 for footpath program required to be recognised.

Unspent Grants and Loans Reserve:

\$152,674 adjustment required based upon the 2014/15 unspent loan allocations that have been assigned to projects and are anticipated to be spent in 2015/16.
\$708,947 adjustment required based upon the 2014/15 unspent grant allocations that will be spent in 2015/16 and the additional revenue transferred in that requires transferring out also during 2015/16.

Contiguous Local Authority Group (CLAG) Reserve:

\$36,068 in additional revenue received from CLAG for mosquito control in 2015/16 and anticipated to be expended.

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

13.5.4 Adoption of 2015/16 Annual Budget

DATE:	25/08/2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Natalie Octoman, Director Corporate Services
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.05.11
DECLARATION OF INTERESTS:	Nil

PURPOSE

For the Council to consider adopting the 2015/16 Annual Budget, together with the revised *CP/FIN-3200 Strategic Rating Policy*, the revised *CP/FIN-3201 Significant Accounting Policies*, and to rescind *F20 Non-Current Asset Capitalisation and Depreciation Control Policy*.

BACKGROUND

The 2015/16 Annual Budget has been in preparation since early 2015, with at least 4 budget briefings, 2 budget workshops and several Council Meetings conducted with elected members, the Executive Management Team and particular Shire officers.

The fees and charges were adopted at the Ordinary Council Meeting on 28 April 2015 and all debtors of the Shire were notified of the fee increases that would be applied from 1 July 2015 or in the case of some aerodrome fees, 1 January 2016. For completeness, all fees and charges endorsed by the Council have been incorporated into the 2015/16 Annual Budget as per the following resolutions:

COUNCIL DECISION

Minute No. 10891

That Council:

- 1. Pursuant to section 6.16 of the Local Government Act 1995, adopts the fees and charges for 2015/16 outlined in Attachment 1 to be effective from either 1 July 2015 or 1 January 2016, whichever date is indicated in Attachment 1.**

COUNCIL DECISION

Minute No. 10894

That Council:

- 1. Pursuant to section 67 of the Waste Avoidance and Resources Recovery Act 2007, imposes the following charges for the 2015/16 financial year effective from 1 July 2015:**
 - a. An annual waste receptacle charge of \$293.90 for one (1) service per week of verge collection waste from a 240 Litre mobile garbage bin;**

- b. An annual waste receptacle charge of \$516.30 for each additional service per week of verge collection waste from one (1) 240 Litre mobile garbage bin;**
- c. An annual waste collection service charge of \$516.30 for each receptacle per annum from one (1) 240 Litre mobile garbage bin for exempt/non-rateable properties.**

COUNCIL DECISION

Minute No. 10897

That Council:

- 1. Pursuant to section 53 of the Cemeteries Act 1986 adopts the fees and charges for the Seven Mile Cemetery, Nine Mile Cemetery, Afghan Cemetery, Pioneer Cemetery, Gully Cemetery, Kununurra Cemetery and other cemetery associated fees as specified in Attachment 1.**

COUNCIL DECISION

Minute No. 10898

That Council:

- 1. Endorse the advertising and gazettal (where required) of the 2015/16 proposed fees and charges commencing from either 1 July 2015 or 1 January 2016, whichever date is indicated in Attachment 1, as per the legislative requirements.**

The elected member allowances were also considered at the 28 April Ordinary Council Meeting, however each motion was lost, therefore there was effectively no decision made at this time. The allowances were then reconsidered at the 23 June Ordinary Council Meeting after the June 2015 determination from Salaries and Allowances Tribunal was handed down, with the following decision made:

COUNCIL DECISION

Minute No.10976

That Council:

- 1. Pursuant to section 5.99 of the Local Government Act 1995 and regulation 34 of the Local Government (Administration) Regulations 1996, adopts the following annual fees for payment of elected members in lieu of individual meeting attendance fees:**

- a. President \$15,683**
- b. Councillors \$15,683**

- 2. Pursuant to section 5.98(5) of the Local Government Act 1995 and regulation 33 of the Local Government (Administration) Regulations 1996, adopts the**

following annual local government allowance to be paid in addition to the annual meeting allowance:

a. President \$31,200

3. Pursuant to section 5.98(5) of the Local Government Act 1995 and regulation 33A of the Local Government (Administration) Regulations 1996, adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:

a. Deputy President \$7,800

At the Special Council Meeting on 13 May 2014, the Council resolved those rates concessions that would apply for the 2014/15 and 2015/16 financial years in accordance with Council Policy CP/FIN-3209 Rates Concession Policy (Rateable Land) as follows:

COUNCIL DECISION

Minute No. 10406

That Council:

- 1. Notes the current rates exemptions outlined in Attachment 1;**
- 2. Approves the following Rates Concessions for the 2014/15 and 2015/16 financial years, therefore waiving rates and waste management charges (WMC) of approximately \$32,723.39 for the 2014/15 financial year in accordance with the following table:**

Assessment Number	Name	Officers Recommendation	Estimated Rates and WMC by Organisation Based on 2013/14
A502	Wyndham Gardens Inc.	100% Concession	\$1,286.89
A4993	Lake Kununurra Golf Club Inc.	100% Concession	\$8,132.40
A7561	Ord River Sailing Club Inc.	100% Concession	\$2,041.45
A2859	Kununurra Race Club Inc.	100% Concession	\$3,033.00
A5616	Kununurra Motorcross Club Inc.	100% Concession	\$2,092.44
A2866	Ord Pistol Club Inc.	100% Concession	\$2,058.45
A1072	Kununurra Progress Association Inc.	100% Concession	\$14,078.76
TOTAL			\$32,723.39

- 3. Notes that the rates concession amount will be updated upon adoption of the differential general rates and minimum payments for the adoption of the 2014/15 budget;**

4. **Notes the estimated savings of \$35,138.74 that has been achieved in the adoption of the new rating policies and removal of the general rates discount for 2014/15;**
5. **Agrees to a transitional period of 12 months in the application of part (p) of the “Rates Concession Policy (Rateable Land)” Guiding Statements which states “For rates concessions to be considered, an application must be made by the date determined by Council for the rating year that precedes the rating year to which the application relates”, therefore any applications received during the 2014/15 financial year, will be considered for a concession commencing in 2014/15.**

Additional rates concessions were approved by the Council at its Ordinary Meeting on 29 July 2014 with the following resolution:

COUNCIL DECISION
Minute No. 10475

That Council:

1. **Approves the following rates concessions and the waiving of waste management charges for the 2014/15 and 2015/16 financial years, of approximately \$7,256.30 for the 2014/15 financial year in accordance with the following table:**

Assessment Number	Name	Officers Recommendation	Estimated Rates and WMC by Organisation Based on 2013/14
A5621	Kununurra Speedway Inc.	100% Concession	\$2,259.18
A7620	Kununurra Agricultural Society	100% Concession	\$2,756.77
A7566	Kununurra Ski Club	100% Concession	\$2,240.35
TOTAL			\$7,256.30

2. **Notes that Wunan Foundation Inc is registered as a charitable organisation with the Australian Government and exempt is under section 6.26(2)(g) of the Local Government Act 1995.**
3. **Notes that rates concessions and charges for 2014/15 now total \$40,920.91.**

It should be noted that the amounts outlined above have been updated to reflect the 2015/16 rates that would be applicable and therefore the true concession that has been approved for this financial year. Please refer to the Rates Concessions section of this report for the breakdown of the \$46,817.44 in 2015/16 rates concessions.

The Council Policy *CP/FIN-3200 Strategic Rating Policy* outlines the principles which underpin the proposed 2015/16 rating model, including the objects of and reasons for differential rates, along with the differential general rates and minimum payments to be applied from 1 July 2015. The Policy was endorsed for advertising at the 12 May 2015 Special Council Meeting seeking public submissions.

At the 23 June 2015 Ordinary Council Meeting, the Council considered the public submissions received and resolved the following:

COUNCIL DECISION

Minute No.10981

That Council defers the item 13.1.5 2015/16 Budget – Differential General Rates and Minimum Payments – Consideration of Public Submissions to a workshop/s.

Two (2) budget workshops were subsequently held with elected members that discussed the anticipated results of 2014/15 and the 2015/16 Annual Budget in detail. Further information regarding these discussions is provided in the comments section of this report.

On 28 July 2015, the Council reconsidered the public submissions and the proposed rates model and resolved the following:

COUNCIL DECISION

Minute No. 11025

That Council:

- 1. Note the five (5) formal submissions received along with the late submissions regarding the advertised 2015/16 Rating Model and Strategic Rating Policy and thanks the community for their input;**
- 2. Endorse the revised 2015/16 Rating Model as follows, with the intention of striking the rates as part of the 2015/16 Budget adoption, subject to receiving Ministerial approval where required by legislation:**

Rating Category	Total Properties	Total Rateable Value of Properties	Proposed Minimum Payment	Proposed Rate in the Dollar	% of Properties on Minimum Payments	Proposed Budget Rates Revenue 2015/16
GRV - Residential	1,652	47,495,614	\$ 1,085	9.2992 cents	2.72%	\$4,430,938
GRV - Other Vacant	144	993,680	\$ 1,085	13.9488 cents	77.78%	\$ 198,615
GRV – Commercial	174	14,745,782	\$ 1,085	12.0890 cents	9.77%	\$1,790,984
GRV – Industrial	174	8,753,500	\$ 1,085	11.1590 cents	4.02%	\$ 980,959
UV - Rural Res	185	51,149,000	\$ 1,085	0.9795 cents	0.00%	\$ 501,004
UV – Pastoral	24	6,188,271	\$ 1,085	5.3057 cents	4.17%	\$ 328,489
UV – Com/Ind	46	13,930,040	\$ 1,085	0.6719 cents	21.74%	\$ 100,588
UV - Rural Ag 1	80	75,110,309	\$ 1,085	0.9502 cents	2.50%	\$ 715,393
UV - Rural Ag 2	109	57,360,000	\$ 1,085	0.6719 cents	0.00%	\$ 385,402
UV - Mining	68	1,637,197	\$ 1,085	27.5246 cents	45.59%	\$ 472,432
UV Mining Vacant	61	518,351	\$543	13.7623 cents	67.21%	\$ 85,387
UV - Other	2	526,000	\$ 1,085	0.6302 cents	0%	\$ 3,315
TOTALS	2,719	278,407,744				\$9,993,502
					Concessions	-\$ 46,817
						\$9,946,685

3. Requests the CEO, or their delegate to seek approval from the Minister for Local Government and Communities to approve the Shire of Wyndham East Kimberley's application for the above 2015/16 Rating Model as it is proposed:

- a. To impose minimum payments for vacant land which will result in more than 50% of the properties in the GRV Other Vacant and UV Mining Vacant rating categories subject to minimum payments in accordance with section 6.35(5) of the Local Government Act 1995; and**
- b. To impose a rate in the dollar which will result in it being more than twice the lowest differential general rate imposed for UV Mining, UV Mining Vacant and UV Pastoral rating categories, in accordance with section 6.33(3) of the Local Government Act 1995.**

As outlined above, the proposed rates model was endorsed subject to receiving Ministerial approval where required by legislation. Ministerial approval was sought to impose minimum payments for vacant land which would result in more than 50% of the properties in the GRV Other Vacant and UV Mining Vacant rating categories being on minimum rates, along with imposing a rate in the dollar which would result in it being more than twice the lowest differential general rate imposed for the UV Mining, UV Mining Vacant and UV Pastoral rating categories. Ministerial approval for the minimum rate exemption was provided to the Shire on 13 August 2015 and the differential general rate exemption was provided on 18 August 2015.

Section 6.2 of the *Local Government Act 1995* requires a local government to prepare and adopt a municipal budget for the financial year ending on 30 June by the 31st August in that particular financial year, or to such extended time as the Minister allows.

Each of the Council decisions made throughout the process have been captured and form part of the 2015/16 Annual Budget.

STATUTORY IMPLICATIONS

**Local Government Act 1995
Part 2 – Constitution of local government
Division 2 – Local governments and councils of local government**

2.7. Role of council

- (1) *The council —*
 - (a) *governs the local government's affairs; and*
 - (b) *is responsible for the performance of the local government's functions.*
- (2) *Without limiting subsection (1), the council is to —*
 - (a) *oversee the allocation of the local government's finances and resources; and*
 - (b) *determine the local government's policies.*

6.11. Reserve accounts

- (1) *Subject to subsection (5), where a local government wishes to set aside money for use for a purpose in a future financial year, it is to establish and maintain a reserve account for each such purpose.*

- (2) *Subject to subsection (3), before a local government —*
 - (a) *changes* the purpose of a reserve account; or*
 - (b) *uses* the money in a reserve account for another purpose,*

it must give one month's local public notice of the proposed change of purpose or proposed use.

** Absolute majority required.*
- (3) *A local government is not required to give local public notice under subsection (2) —*
 - (a) *where the change of purpose or of proposed use of money has been disclosed in the annual budget of the local government for that financial year; or*
 - (b) *in such other circumstances as are prescribed.*
- (4) *A change of purpose of, or use of money in, a reserve account is to be disclosed in the annual financial report for the year in which the change occurs.*
- (5) *Regulations may prescribe the circumstances and the manner in which a local government may set aside money for use for a purpose in a future financial year without the requirement to establish and maintain a reserve account.*

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) *wave 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.*
- (2) *Subsection (1)(a) and (b) do not apply to an amount of money owing in respect of rates and service charges.*
- (3) *The grant of a concession under subsection (1)(b) may be subject to any conditions determined by the local government.*
- (4) *Regulations may prescribe circumstances in which a local government is not to exercise a power under subsection (1) or regulate the exercise of that power.*

[Section 6.12 amended by No. 64 of 1998 s. 39.]

6.13. Interest on money owing to local governments

- (1) *Subject to any other written law, a local government may resolve* to require a person to pay interest at the rate set in its annual budget on any amount of money (other than rates and service charges) which —*
 - (a) *that person owes to the local government; and*
 - (b) *has been owed for the period of time referred to in subsection (6).*

** Absolute majority required.*

- (2) *A resolution under subsection (1) is to be included in the annual budget.*
- (3) *The rate of interest that may be set by the local government under this section is not to exceed the rate for the time being prescribed as the maximum rate of interest that may be set for the purposes of this section.*
- (4) *Where a local government imposes interest under subsection (1) on any outstanding amount of money the local government is not to also impose an additional charge in relation to that amount.*
- (5) *Accrued interest is, for the purpose of its recovery, taken to form part of the money owed to the local government on which it is charged.*
- (6) *A local government is not to impose interest on any amount of money under subsection (1) until the money has been owed to the local government for the period of time set by the local government in its annual budget (not being less than 35 days) after the date which is stated on the relevant account for payment as being the date the account was issued.*
- (7) *Regulations may provide for the method of calculation of interest.*

6.2. Local government to prepare annual budget

- (1) *During the period from 1 June in a financial year to 31 August in the next financial year, or such extended time as the Minister allows, each local government is to prepare and adopt*, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the 30 June next following that 31 August.*
** Absolute majority required.*
- (2) *In the preparation of the annual budget the local government is to have regard to the contents of the plan for the future of the district made in accordance with section 5.56 and to prepare a detailed estimate for the current year of —*
 - (a) *the expenditure by the local government; and*
 - (b) *the revenue and income, independent of general rates, of the local government; and*
 - (c) *the amount required to make up the deficiency, if any, shown by comparing the estimated expenditure with the estimated revenue and income.*
- (3) *For the purposes of subsections (2)(a) and (b) all expenditure, revenue and income of the local government is to be taken into account unless otherwise prescribed.*
- (4) *The annual budget is to incorporate —*
 - (a) *particulars of the estimated expenditure proposed to be incurred by the local government; and*
 - (b) *detailed information relating to the rates and service charges which will apply to land within the district including —*
 - (i) *the amount it is estimated will be yielded by the general rate; and*
 - (ii) *the rate of interest (if any) to be charged by the local government on unpaid rates and service charges; and*
 - (c) *the fees and charges proposed to be imposed by the local government; and*
 - (d) *the particulars of borrowings and other financial accommodation proposed to be entered into by the local government; and*

- (e) details of the amounts to be set aside in, or used from, reserve accounts and of the purpose for which they are to be set aside or used; and
 - (f) particulars of proposed land transactions and trading undertakings (as those terms are defined in and for the purpose of section 3.59) of the local government; and
 - (g) such other matters as are prescribed.
- (5) Regulations may provide for —
- (a) the form of the annual budget; and
 - (b) the contents of the annual budget; and
 - (c) the information to be contained in or to accompany the annual budget.

6.33. Differential general rates

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —
- (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or
 - (b) a purpose for which the land is held or used as determined by the local government; or
 - (c) whether or not the land is vacant land; or
 - (d) any other characteristic or combination of characteristics prescribed.
- (2) Regulations may —
- (a) specify the characteristics under subsection (1) which a local government is to use; or
 - (b) limit the characteristics under subsection (1) which a local government is permitted to use.
- (3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.
- (4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.
- (5) A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation¹ is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.

6.34. Limit on revenue or income from general rates

Unless the Minister otherwise approves, the amount shown in the annual budget as being the amount it is estimated will be yielded by the general rate is not to —

- (a) be more than 110% of the amount of the budget deficiency; or

(b) *be less than 90% of the amount of the budget deficiency.*

6.35. Minimum payment

- (1) *Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.*
- (2) *A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.*
- (3) *In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —*
 - (a) *50% of the total number of separately rated properties in the district; or*
 - (b) *50% of the number of properties in each category referred to in subsection (6),*

on which a minimum payment is imposed.
- (4) *A minimum payment is not to be imposed on more than the prescribed percentage of —*
 - (a) *the number of separately rated properties in the district; or*
 - (b) *the number of properties in each category referred to in subsection (6),*

unless the general minimum does not exceed the prescribed amount.
- (5) *If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.*
- (6) *For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —*
 - (a) *to land rated on gross rental value; and*
 - (b) *to land rated on unimproved value; and*
 - (c) *to each differential rating category where a differential general rate is imposed.*

There are also numerous other sections of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* that deal with specific parts of the Annual Budget. Where relevant the sections and/or regulations have been specifically mentioned in the officer's recommendation.

POLICY IMPLICATIONS

Each of the Council Policies outlined below are relevant in the adoption of the annual budget:

- *CP/FIN-3201 – Significant Accounting Policies*
- *F20 – Non Current Asset Capitalisation and Depreciation Control (to be rescinded)*
- *CP/FIN-3200 – Strategic Rating*
- *CP/FIN-3208 – Rates Exemptions for Charitable Organisations (Non Rateable Land)*
- *CP/FIN-3209 – Rates Concession (Rateable Land)*

- CP/FIN-3211 – Fees and Charges Pricing

FINANCIAL IMPLICATIONS

The annual budget is the primary means for a local government to manage and allocate its financial resources for 2015/16. The budget also provides the ability to impose rates, which is one of the primary means for a local government to raise income to fund the upcoming year's projects. Should the Council not adopt the budget at this time, the issuing of rates will be delayed and provide additional pressures on the cashflow management of the Shire.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

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

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 ENGAGEMENT

The Shire of Wyndham East Kimberley's CP/GOV-3100 Community Engagement Policy has been considered in relation to this item.

Engagement has taken place in accordance with the Shire's Community Engagement Guidelines and has included:

The Executive Management Team, Managers and staff across the organisation have been involved in many of the stages outlined below in order to present elected members with each of the proposals throughout the process. The annual budget process itself is significant in terms of its importance and also the time and resources required to be committed to the process to ensure its accuracy and timeliness.

The following outlines the consultation processes that have been undertaken in order to provide the opportunity for both the community and elected members to contribute to the 2015/16 Annual Budget process:

- 24 March 2015 Budget Forum – Timetable, initial budget assumptions and risks were outlined to elected members.
- 14 April Budget Forum – Elected members considered the Pricing Principles and Pricing Basis Policy for Fees and Charges, elected member allowances and rating policies.
- 23 April 2015 Budget Forum – Elected members considered the rating model and Strategic Rating Policy for 2015/16.

- 28 April 2015 Ordinary Council Meeting – Council adopted the fees and charges to commence from 1 July 2014, or 1 January 2015 in the case of some aerodrome fees, along with considering the proposed elected member allowances.
- May 2015 (commencing on 5 May with a closing date of 15 May) – local public notice for community groups to apply for rates concessions via the following methods:-
 - Kimberley Echo;
 - Shires facebook post;
 - Shire’s website; and
 - Email to the Shire’s community contact list.
- 12 May 2015 Special Council Meeting – Council adopted the proposed Strategic Rating Policy and proposed rates in the dollar for advertising.
- May and June – local public notice via the following methods:-
 - Kimberley Echo for the proposed rates in the dollar on 21 May and 4 June 2015
 - Shire’s facebook page post on 17 May;
 - A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2015/16, including the Strategic Rating Policy was placed on the Shire’s website on Monday 18 May 2015, including the public noticeboards at the Civic Centres and Libraries in both Kununurra and Wyndham.
- 23 June Ordinary Council Meeting – Council adopted the 2015/16 elected member allowances. Council also considered the public submissions in relation to the proposed rates in the dollar and minimum payments and deferred the item to a workshop/s.
- 14 July – Budget Workshop – Elected members were provided an overview of the financial situation and discussed community contributions, the 2015/16 staff establishment, base capital projects, plant replacement program and potential new initiatives.
- 21 July – Budget Workshop – Elected members were advised of the modifications to the 2015/16 budget since the last workshop, and progressed with the proposed new initiatives and potential funding sources, including re-working the proposed rates model to ensure a balanced budget could be achieved in 2015/16.
- 28 July – Council reconsidered the public submissions in relation to the proposed rates in the dollar and minimum payments, and adopted the proposed rating model for inclusion in the 2015/16 budget subject to Ministerial approval.
- 13 August – Ministerial approval of the proposed minimum payments was granted.
- 18 August – Ministerial approval of the differential general rates was granted.

COMMENT

The 2015/16 Budget has again been compiled based on the priorities within the Strategic Community Plan, outcomes from the budget briefings, previous Council resolutions and workshops attended by elected members and staff taking into account the requirements of the *Local Government Act 1995* and associated Regulations.

Given the significant progress that has been made during 2014/15 in attempting to recover the budget deficit, the annual budget setting process for 2015/16 was quite different. It was mentioned during last year's budget that the East Kimberley has seen the benefits of economic development in the past where there have been clear decisions of the State Government in particular, to assist in improving critical infrastructure and service provision to the community which is critical in stimulating economic development.

There were a range of matters that contributed to the initial budget deficit forecast for 2014/15 that had accumulated over the years such as a reduction in the Financial Assistance Grants Scheme payments, rating revenue not sustaining the increases in costs for items such as utilities, insurance and employee costs; and a range of capital projects undertaken that required some level of co-contribution from the Shire, or new developments such as Anthons Landing in Wyndham and the subdivisions in the light industrial area, Lakeside and Coolibah Estate for example, which only led to an increase in ongoing costs for the Shire to manage and fund. It was made clear in 2014/15 that the period of significant development was over and that the Shire needed to return to core service delivery and sustainable asset management.

The 2014/15 year therefore saw the Council make a range of difficult decisions in relation to service level impacts and further reviews were to be undertaken. For example:-

- A total of 21.9 FTE positions were lost. This included 2 new positions proposed that were not endorsed; 4.4 FTE's that were vacant and not filled; 4.5 FTE's that would have normally been filled by various casuals and 11 redundancies;
- The Shire ceased management of the Wyndham Child Care Centre from 31 December 2014;
- Pre-cyclone clean-ups were not continuing as they appeared to be typically used by the community for cleaning up not only green waste but washing machines, fridges and numerous other items that are clearly not in accordance with the intention of a pre-cyclone clean-up;
- It was determined that while Lake Kununurra was a community asset; it is not controlled by the Shire past the water bank edge, therefore while an ongoing spraying program would be contained in the parks and gardens maintenance program, the Shire was not progressing with the flood damage clean-up or future cumbungi harvesting and major eradication program that was initially planned.
- Reduced operating and maintenance across the Shire such as lawn-mowing (reducing this through the dry season and maintaining it through the wet);
- Reducing the hours that rangers have for litter patrols, patrols for campers at night, other inspections and general ranger functions;
- No specific staff resource to assist with the development of sporting clubs;
- The plant replacement program was significantly reduced;
- All leases for staff housing were reviewed and would be exited;
- Community contributions were reduced.

Through these reductions, and the further savings anticipated during 2015/16 (from the 2014/15 base), the officer is proposing to present an initial surplus budget outcome for 2015/16. This will change due to final year-end adjustments for 2014/15 and the final outcome anticipated is a balanced budget by the end of 2015/16 presented as part of the Mid-Year Budget Review.

This does not mean that the Shire is now automatically sustainable nor have funds necessarily available to allocate to other priority projects. Year-end adjustments are currently underway with the auditors anticipated to arrive in October. Once the annual financial statements have been audited, the final position for 2014/15 can be reviewed in

line with the assumptions currently incorporated, and any amendments required can be taken into account during the Mid-Year Budget Review.

There are a range of areas that require close monitoring and management, however with the continued cooperation and assistance from the whole organisation, financial sustainability is something that is now achievable.

REVENUE

Rates

It remains important that the Council ensures that rate increases are in line with the increasing costs of service delivery, however continued efficiencies and improvements are being made across the organisation in order to minimise the rates burden placed upon the ratepayers.

The Shire sought public comment on the proposed Strategic Rating Policy in May 2015 which outlines the principles that underpin the 2015/16 rating model. The principles contained within the Policy, being equity; incentive; administrative efficiency; compliance and sustainability remain unchanged.

This is now year two (2) whereby the differential rating model has attempted to align with the current Town Planning Scheme No. 7 Kununurra and Environs (TPS7) and the current Town Planning Scheme No. 6 Wyndham Townsite (TPS6), in an effort to ensure greater equity across the differential rating categories.

The Policy components such as the GRV Residential rating category being classified as the "base rate" from which all other differential rates that holds a GRV value is calculated remains the basis moving into 2015/16. The main change proposed in developing the 2015/16 rates model was the establishment of a UV Mining Vacant rating category.

This has been created for a number of reasons. Firstly, it relates to UV valued land outside the gazetted town site which is used primarily for mining purposes and encompasses exploration and prospecting licences. Both exploration and prospecting are considered to have a minimal impact on the cost of providing services, facilities and infrastructure across the Shire and could be considered to be vacant land. It would only be when minerals are discovered that it is anticipated the property holder would seek to convert the property into a mining lease and therefore have a larger impact. At this point, the property would then transfer to the UV Mining rate in the dollar.

As many of the mining tenements for exploration and prospecting have very small values, it was also impossible to achieve a rating model which resulted in more than 50% of the properties on a differential general rate, hence another reason for the creation of the new category, so that the Shire could seek an exemption from the Minister in considering them to be vacant.

After considering the public submissions regarding the proposed rates in the dollar and the objects of and reasons for the differential rates, the Council suggested modifications to the rating model such that it will now generate \$9,951,565 (\$9,993,502 plus ex gratia rates of \$4,880 less concessions of \$46,817) in rates for 2015/16; an increase of \$770,950 from those estimated in 2014/15 (\$9,221,885 plus ex gratia rates of \$4,651 less concessions of \$45,921). The recommended increase of 4.93% for GRV Residential is considered the base increase, which is also consistent with the increase in the fees and charges imposed. As outlined in the Strategic Rating Policy, the multipliers are applied to the GRV Other Vacant, GRV Commercial and GRV Industrial rating categories. This is year two (2) of the transition towards GRV Commercial becoming 2 times the GRV Residential base rate and GRV

Industrial becoming 1.7 times the base rate after considering their impacts on services, facilities and infrastructure.

As part of the rating model, the Council also resolved for 3% of the additional rating income, being approximately \$23,148 to be transferred into the Asset Management Reserve. At this stage, it is not intended that the Shire will utilise these funds during 2015/16 and they will remain in the Reserve.

Payment Instalment Options

The Shire is required to provide an option to pay a rate or service charge:

- a. In full
- b. By 4 equal or nearly equal instalments
- c. By such other method of payment by instalments as is set forth in the Shire's annual budget.

Assuming that the budget is adopted at the Ordinary Council Meeting on 25 August 2015 the following rates due dates will apply:

- Rates Issue Date – 11 September 2015
- Rates Due Date (incl. 1st Instalment Due) – 16 October 2015
- 2nd Instalment Due – 18 December 2015
- 3rd Instalment Due – 19 February 2016
- 4th Instalment Due – 22 April 2016

Interest Rates for Rates and Service Charges

The maximum interest rate charge applicable in accordance with Regulation 70 of the *Local Government (Financial Management) Regulations 1996* is 11% per annum calculated on a daily basis on rates and service charges remaining unpaid (excluding eligible pensioners). The rate that was charged in 2014/15 however was only 9%, reflecting the fact that interest rates had dropped and the Council wanted to pass this onto the ratepayers. It is therefore recommended that the 9% interest rate continue to apply for 2015/16.

Instalment Plan Interest Rate and Administration Fee

The Council can impose an interest rate charge on each instalment if ratepayers elect to use any of the instalment plan options. The maximum interest rate is 5.5% for those on an instalment plan (excluding eligible pensioners) in accordance with Regulation 68 of the *Local Government (Financial Management) Regulations 1996*. For at least the last 15 years or so, the maximum of 5.5% was adopted and it is recommended that the maximum charges continue to be applied.

Section 6.45(3) of the *Local Government Act 1995* allows a local government to impose an additional charge where payment of a rate or service charge is made by instalments.

In utilising the Council Policy *CP/FIN-3211 Fees and Charges Pricing*, full cost recovery was applied for 2015/16. This resulted in a charge of \$11.30 per instalment notice, an initial establishment fee for rates special payment arrangements of \$57.60 plus a \$9.40 administrative charge for each instalment of the payment arrangement, which was adopted by the Council at its Ordinary Meeting held on 28 April 2015.

Early Payment Discount

A local government may, when imposing a rate or service charge, resolve to grant a discount or other incentive for the early payment of any rate or service charge,

In 2013/14 a discount of 2.5% was applied. Upon consideration of the new rating policies at the 18 March 2014 Special Council Meeting, the Council resolved to remove the 2.5% discount for ratepayers who pay their rates in full within 21 days for the 2014/15 financial year onwards.

The 2015/16 budget has therefore not allowed for early payment discounts.

Rates Concessions

In accordance with Council Policy CP/FIN-3209 Rates Concessions (Rateable Land) adopted by the Council at the 18 March 2014 Special Meeting of Council, the Policy provides for not for profit community based organisations to apply to Council for a rates concessions annually in accordance with the discretionary powers provided by section 6.47 of the Local Government Act 1995.

The Council considered applications from different organisations during the 2014/15 budget process, which provided for a rates concession and waste management charge waiver for a period of two (2) years. During the 2015/16 budget process, advertising occurred on 5 May with a closing date of 15 May to ensure that any new organisations, or those who may now meet the application criteria, could apply for consideration of a rates concession and a waste management charge waiver to commence their two year approval period from 2015/16. There were no new applications received as part of the 2015/16 budget process.

Those organisations currently approved for rates concessions and a waiver of waste management charges for 2015/16 are:

Assess. Number	Address	Rates \$	Waste Management Charge \$	TOTAL \$
A1072	Kununurra Progress Association	20,067.67	200.00	20,267.67
A4993	Lake Kununurra Golf Club	8,822.80	200.00	9,022.80
A7620	Kununurra Agricultural Society	3,487.66	200.00	3,687.66
A2589	Kununurra Race Club	3,151.00	200.00	3,351.00
A2866	Ord River Pistol Club	2,067.06	200.00	2,267.06
A7561	Ord River Sailing Club	2,048.15	200.00	2,248.15
A502	Wyndham Gardens Inc.	1,948.74	200.00	2,148.74
A7566	Kununurra Water Ski Club	1,884.30	200.00	2,084.30
A5616	Kununurra Motocross Club	1,682.63	200.00	1,882.63
A5621	Kununurra Speedway Inc.	1,657.43	200.00	1,857.43
TOTAL		46,817.44	4,000.00	50,817.44

It should be noted that each organisation will need to re-apply next calendar year for any further concessions and waivers to be considered for the 2016/17 financial year.

Operating Grants, Subsidies and Contributions

There has been a significant volatility in operating grants over the past few years demonstrated in the below table:

2013/14 Actuals	2014/15 Original Budget	2014/15 Est. Actuals	2015/16 Original Budget
\$2,251,280	\$6,849,231	\$10,672,038	\$2,701,382

An explanation of some of the key variations are outlined below.

2013/14 Actuals compared to 2014/15 Original Budget (\$4,597,951 variation):-

1. \$2.2 million in Federal Assistance Grants anticipated to be received in 2014/15 as there was to be no further prepayments recognised in 2013/14;
2. \$1.573 million in WANDRAA funding provided in 2014/15 that was not received in 2013/14;
3. \$0.957 million Kimberley Zone grant received in 2014/15 that was not received in 2013/14;
4. (\$0.027) million in reduced operating subsidy relating to the Wyndham Childcare in 2014/15 compared to 2013/14;
5. (\$0.086) million as not anticipating further reimbursements from Landcorp in 2014/15 relating to developments.

2014/15 Original Budget compared to 2014/15 Est. Actuals (\$3,822,807 variation):-

1. \$1.985 million increase as a result of WANDRRA funding associated with works resulting from the flood in February 2014;
2. \$1.844 million increase in actuals as a result of the Federal Assistance Grants once again being prepaid – this was not anticipated and the Shire was unaware until advice was received on 29 June 2015;

2014/15 Est. Actuals compared to 2015/16 Original Budget (-\$7,970,656 variation):-

1. (\$3.724) million reduction in 2015/16 as a result of \$1.844 million being pre-paid and the funding for 2015/16 taking this into account;
2. (\$3.558) million reduction in 2015/16 as no anticipation of further WANDRRA funding;
3. (\$0.948) million reduction as funding relating to key worker housing from the Zone was a once off in 2014/15;
4. (\$0.225) million reduction in 2015/16 as contribution for Carlton Hill Road was a once-off in 2014/15;
5. \$0.200 million anticipated in 2015/16 for the design and feasibility of a new recreation facility;
6. \$0.100 million anticipated in 2015/16 relating to a contribution from the Department of Transport for road works on the Meatworks Road in Wyndham;
7. \$0.100 million anticipated in 2015/16 relating to the insurance claim for the Wyndham depot fire;
8. \$0.080 million anticipated as a drainage contribution from external parties.

The prepayments received from the Federal Assistance Grants (FAGS) are required to be recognised upon receipt and cannot be accrued to accurately reflect the financial year that they relate to. This can make it quite difficult to explain that by changing methodologies (prepayment to no prepayment, then to prepayment again) it can have effectively a double-impact on the estimates, however if taken into account appropriately and restricted, they can then be applied in the financial year that they relate through other means, and not have an overarching impact on the overall surplus or deficit position of a local government.

The 2015/16 Budget will establish an Unspent Grants and Loans Reserve enabling appropriate restriction of these funds so they can be then allocated in the appropriate

financial year. Any prepaid grants will be transferred to this Reserve as part of the year-end processes.

Given the large impact that the changing methodology has had on the financials of the Shire, an analysis table has been provided below:

	2013/14 Actuals¹ \$	2014/15 Original Budget² \$	2014/15 Est. Actuals³ \$	2015/16 Original Budget⁴ \$
General Purpose Grant	1,066,352	2,797,996	4,196,013	1,371,836
Local Road Funding Grant	365,448	833,438	1,278,801	378,812
TOTAL	1,431,800	3,681,434	5,474,814	1,750,648

1. The 2013/14 Actuals reflect the reduced grant as a result of the prepayment made in 2012/13.
2. 2014/15 Original Budget reflects a “standard” year with no prepayment for either 2014/15 nor potentially for 2015/16. Advice was only received on 29 June that a prepayment would be made applicable to the 2015/16 financial year, which was received by the Shire on 30 June.
3. 2014/15 Est. Actuals reflects a prepayment related to 2015/16.
4. 2015/16 Original Budget reflects a prepayment made in 2014/15 and the reduced grant to be received during this financial year.

It should be noted however, that if prepayments were excluded from the scenario and essentially normalised, the grant funding applicable would appear as follows:

	2013/14 \$	2014/15 \$	2015/16 \$
General Purpose Grant	2,760,091	2,797,996	2,769,853
Local Road Funding Grant	830,157	833,438	824,175
TOTAL	3,590,248	3,681,434	3,594,028

Fees and Charges

The Shire currently has approximately 660 fees (including statutory fees) anticipated to generate approximately \$7.691 million in 2015/16, or 37% of the operating income for the Shire. Council adopted the 2015/16 fees and charges in April and the 2015/16 Budget document has taken these into account.

There are however, several fees and charges that were either not incorporated into the initial Schedule of Fees and Charges or need to be modified given more recent reviews to ensure that the Schedule is accurate.

Within Private Works – the Labour Rates and Plant Rates need to reflect that the 15% administration charge is additional to the rates that are quoted as per the Council Policy CP/OPS-3650 *Private Works*.

The labour rate for Inspections less than 1 hour out of the office (currently shown as \$91.30) needs to reflect the same rate as that for the Supervisor (per hour) being \$148.50; and the Inspection for each additional hour out of the office is required to be the same amount of \$148.50 rather than \$91.30 also. This is due to the Supervisor generally being the person who would undertake the inspections.

New fees are required for:

1. Assessment of Applications (eg. cattle grids, private works requests) - \$148.50 per hour; and
2. Impounding of Non-Perishable Goods Seizure Fee: \$92.40
3. Impounding of Non-Perishable Goods – Poundage charge, each day: \$17.90.

A Crossover Subsidy should also be reflected within the Fees and Charges Schedule, while it is not technically a fee and charge, Regulation 15 of the *Local Government (Uniform Local Provisions) Regulations 1996* requires that the local government is obliged to bear 50% of the cost, as estimated by the local government, of a standard crossing. A subsidy up to a maximum amount of \$2,500 is deemed to be a reasonable estimate for 50% of the cost of construction of a standard crossover.

Each of these amendments have been adjusted in the Fees and Charges Schedule contained within the 2015/16 Budget. The officer is aware that there are further internal reviews currently being undertaken whereby separate agenda items will be presented to the Council in the future to consider amendments to the 2015/16 Fees and Charges Schedule.

Waste Avoidance and Resource Recovery Act 2007 – Waste Charges

Waste management charges are levied under the *Waste Avoidance and Resource Recovery Act 2007*. Section 66 of the Act states that a local government may impose a waste collection rate for the purpose of providing for the proper performance of all or any of the waste services it provides. The annual rate must not exceed the prescribed cents in the dollar. General rating principles under the *Local Government Act 1995* apply.

Section 67 states that the local government may impose a receptacle charge in lieu of or in addition to the rate under section 66 to provide for the proper disposal of waste by making an annual charge per waste receptacle in respect of premises provided with a waste service.

Section 68 provides for fees and charges fixed by a local government by imposing or recovering a fee or charge in respect of waste services under section 6.16 of the *Local Government Act 1995*.

Section 6.35(4) of the *Local Government Act 1995* provides that approval is required to impose a minimum payment on more than 50% of separately rated properties however, section 53 of the *Local Government (Financial Management) Regulations 1996* states that this requirement does not need to be met if the minimum payment is \$200.

The officer will therefore be recommending that the Council adopt a Waste Management Charge with a minimum payment of \$200 as was the case in both 2013/14 and 2014/15.

Waste Vouchers

The Shire introduced the provision of waste vouchers with the distribution of Rates Notices for the 2013/14 financial year as a result of no longer accepting 'free' domestic waste from 1 October 2013.

In 2013/14, waste vouchers were provided only to those properties within the GRV Townsite, UV Rural Residential, UV Rural Agriculture 1 and UV Rural Agriculture 2 rating categories.

Interest Earnings

Interest earnings have been reducing across the Shire for a number of years now given the reduced interest rates globally. While the Shire invests funds throughout the year in accordance with Council Policy *CP/FIN-3203 Investments*, it is still anticipated that interest earnings will reduce from the forecast actual of \$439,515 for 2014/15 to \$395,557 for 2015/16 mainly as a result of utilisation of the Goomig Farmlands Roads Reserve in 2015/16 and lower interest rates.

OPERATING EXPENDITURE

Employee Costs

As outlined above, the Shire lost 21.9 FTE positions during 2014/15. This included 2 new positions proposed that were not endorsed; 4.4 FTE's that were vacant and not filled; 4.5 FTE's that would have normally been filled by various casuals and 11 redundancies.

During 2014/15 there was a forecast \$0.461 million in redundancy payments along with \$0.447 million included for positions that would cease part-way through the financial year. These costs are clearly not required moving into 2015/16. After including the required Enterprise Agreement changes for 2015/16, the Shire has still saved \$0.552 million from 2014/15 to 2015/16 as a result of the position losses.

It should be noted that employee costs incorporate not only salaries and allowances, but also superannuation, workers compensation insurance, protective clothing and safety items, training, fringe benefits tax and other employee costs associated with recruitment and relocation, medicals and police clearances. The figures identified above are only associated with salaries and allowances.

Losing this many positions has a significant impact across the organisation, however it was determined to be a necessity in order to move the organisation forward and start addressing financial sustainability as a whole.

During 2014/15 there were many reviews undertaken, in particular the Probity Review; the CEO's biennial review of systems and procedures associated with risk management, legislative compliance and internal controls; a Procurement Review and the usual interim and year-end financial audits. Out of these reviews were many recommendations, many of which cannot be completed with the current staffing levels. There were several areas identified that pose the largest risk for the organisation, and the only way to reduce that risk is to engage additional staff to assist in the implementation.

Staffing levels and structures were discussed with the elected members, for which there were three out of the four positions identified that were deemed a necessity moving into 2015/16. These positions are:

1. **Senior Contracting Compliance Officer** – this position will provide leadership, direction, support and deliver efficient, effective and compliant procurement and contract management arrangements for the Shire; develop, implement and maintain the Shire's procurement and contract management framework, policies and processes to ensure that all of the Shire's contracts and other procurement arrangements are administered from commencement to finalisation in a manner consistent with legislation, Council approved policies and the Shire's organisational

directives. This role will also act as the Probity Officer in all tender processes (where possible) and be involved in all tender assessments to ensure probity is maintained.

2. **Senior Governance and Risk Officer** – this position will develop, implement and maintain the Shire’s governance and risk management framework, policies and processes consistent with legislation and Council approved policies and organisational directives. The role will take a lead role in many functions including:
 - o Policy reviews
 - o Local Law reviews
 - o Compliance Audit Return
 - o Corporate Compliance Calendar
 - o Ensuring legislative compliance
 - o Review of delegations and sub-delegations
 - o Ensure appropriate authorisations are provided to officers
 - o Development of the Annual Report
 - o Risk Management Framework development, implementation, monitoring and review
 - o Coordinating the CEO’s biennial review of systems and procedures associated with risk management, legislative compliance and internal controls as required by the *Local Government (Audit) Regulations 1996*.
3. **Project Officer, Integrated Planning and Reporting** – this position will ensure the effective coordination of the development, monitoring and review of the Shire’s integrated planning and reporting framework compliant with the *Local Government Act 1995* and associated regulations. They will ensure that the informing strategies for the Strategic Community Plan and Corporate Business Plan are integrated and robust along with facilitating the embedding of the Shire’s strategic directions throughout the organisation to ensure business excellence underpins all of the Shire’s operations. It is envisaged that this will be a three year contract position at this stage to ensure that the major review of the Strategic Community Plan can be facilitated during this time.

The fourth position that was discussed was an Economic Development Officer, however it was determined that this was not a priority over the formerly mentioned roles given the ones outlined clearly have a compliance-type nature to them and are all linked to legislative requirements in one way or another, whereas the Economic Development Officer is not.

After taking into account the savings made moving into 2015/16, and factoring in the three (3) new positions, the Shire is still anticipating a reduction in employee costs from the 2014/15 Budget to the 2015/16 Budget. While the forecast actuals for 2014/15 are lower than budgeted for 2015/16, this is a result of vacancies throughout the year, whereas the 2015/16 budget has not allowed for vacancy savings given their unpredictability.

The budgeted FTE’s for 2015/16 are 94.04 with a budget of \$10.462 million compared to 94.97 FTE’s and an original budget of \$10.473 million in 2014/15, still reflecting a reduction from 109.99 FTE’s in 2013/14.

If there are savings identified throughout the year as a result of vacancies, these will be captured as part of the Mid-Year Budget Review.

Reserves

In accordance with section 6.11 of the *Local Government Act 1995*, a local government is required to establish and maintain a reserve account where it wishes to set aside money for use for a specific purpose in a future financial year. The local government is also required to disclose where a change of the purpose of the use of money is proposed.

During the budget discussions with elected members, officers have highlighted the need for the creation of several new reserves including one to ensure the appropriate restriction of unspent funds, specifically associated with grants and loans. This will ensure that the funds are captured appropriately for future budget purposes, and it is a financially prudent methodology to adopt moving forward.

New reserves are therefore proposed for:

1. Unspent Grants and Loans Reserve – to provide a mechanism for restricting prepaid grants, conditional unspent grants and loan proceeds unspent in a particular financial year where the expenditure will be undertaken in future years.
2. Contiguous Local Authority Group (CLAG) Reserve – whereby any funds received are to be placed into this reserve to be used for the ongoing management, funding and technical aspects of health-driven mosquito control in an effort to reduce the risk of mosquito-borne diseases within the boundaries of the Shire of Wyndham East Kimberley.
3. Kununurra Youth Hub Reserve – to hold lease payments from the Kununurra Youth Hub to provide for the maintenance, renewal and upgrade of the building in accordance with the lease conditions.

It is also proposed to modify the purpose of several reserves in order to improve the understanding of what the reserve funds can be used for in the future. The proposed reserves which are suggested to have their purpose modified are as follows:

1. Waste Management – to provide for the operation, maintenance, renewal and upgrade of existing and new waste management facilities within the Shire of Wyndham East Kimberley.
2. Airport – to provide for the operation, maintenance, renewal and upgrade of existing and new airport facilities within the Shire of Wyndham East Kimberley.
3. Plant and Equipment – to provide for the plant management program.
4. Civic Buildings – to provide for the maintenance, renewal, upgrade of existing and new civic buildings within the Shire of Wyndham East Kimberley.
5. East Kimberley Tourism – to provide for the significant maintenance, renewal and upgrade of the East Kimberley Tourism House.
6. Foreshore – to hold lease and licence payments from occupiers of Lake Kununurra Foreshore Reserve to provide for the implementation of the specific actions outlined in the Lake Kununurra Foreshore and Aquatic Use Plan 2012.
7. Childcare – to hold lease payments from the Kununurra Childcare Centre to provide for the significant maintenance and renewal of the building.

CAPITAL EXPENDITURE

A capital expenditure program of approximately \$15 million is anticipated for 2015/16. The program is outlined in the Capital Expenditure Budget Schedule in the 2015/16 Annual Budget. The predominant areas of expenditure include:

DESCRIPTION	AMOUNT
Runway Asphalt Overlay	\$3,282,434
Goomig Roads Reseal Second Coat	\$2,889,313
Plant and Equipment Replacement	\$1,491,043
Lily Creek Lagoon Boating Facilities	\$1,315,918
Kalumburu Road Resheet	\$1,177,477
Lake Argyle Road	\$555,000
Kununurra Landfill Site – Rehabilitation and Decommission Liquid Waste Lagoon	\$340,000
Asphalt Resurfacing Wyndham Townsite	\$400,000
Bridge (5116) – D4 Weaber Plain Road	\$300,000
Reconstruct Nutwood and Rosewood Streets, and area drainage	\$300,000
Runway Upgrade Wyndham Airport	\$300,000
Playspace and Playground Equipment	\$200,000

Approximately \$13.3 million of the \$15 million capital program is funded through grants, current loans, reserve funds, roads to recovery, and federal assistance grants. This is still a positive outcome however, in that the Shire can afford to fund some capital without the assistance of loans in 2015/16.

Outcomes of Investigations

At the adoption of the 2014/15 Budget, the Council resolved (in part):

COUNCIL DECISION

Minute No. 10553

That the Council:

2. directs the CEO, or their delegate, to investigate

- a. further savings opportunities associated with the operation of the Wyndham Pool, Kununurra Leisure Centre and Library Services that are to be brought back to elected members for consideration prior to the 2014/15 Mid-Year Budget Review;**
- b. potential leasing opportunities for the Kununurra Youth Centre; and**
- c. opportunities for the sale, lease or co-location of Shire-owned land and buildings.**

Officers have enacted this resolution with the following outcomes:

a. Operation of the Wyndham Pool, Kununurra Leisure Centre and Library Services

- **Kununurra School and Community Library**
A review of opening hours and rosters for the library was undertaken to reduce staff costs, this review resulted in a reduction of 10 casual hours per week, and has been factored into the 2015/16 Annual Budget. The resultant new operating hours timetable was introduced on 5 February 2015 and library staff

have been monitoring any feedback from customers regarding the new opening hours.

- *Kununurra Leisure Centre and Wyndham Swimming Pool*
Service Level Reviews have been commenced for both the Kununurra Leisure Centre and Wyndham Swimming Pool; it was intended that these reviews would be completed in 2014/15 however they are resource intensive in terms of staff time, as they involve the analysis of results, making recommendations and being able to implement changes, either in a staffing, process or financial sense and given other priorities, resources have not been available to focus on these reviews.

A draft Kununurra Leisure Centre Service Level Review Report focused on financial information was prepared and reviewed by the Service Level Review Steering Group in April 2015 prior to the Mid-Year Budget review. Following the review of this draft Report no major cost savings were identified.

These service level reviews will continue to be developed and finalised over 2015/16.

- b. *Potential Leasing Opportunities for the Kununurra Youth Centre*
Officers sought Requests for Proposals in relation to the leasing out of the Kununurra Youth Centre in May and June 2015. The outcomes were presented to the Council at its Ordinary Council Meeting held on 28 July 2015 with the Shire authorised to enter into a lease with Save the Children subject to approval being provided by the Department for Child Protection and Family Support. The 2015/16 Budget still incorporates the anticipated revenue and expenditure program prior to this resolution. If approval is received from the Department, then the budget forecast will be adjusted in the Mid-Year Budget Review, providing further savings for the Shire.
- c. *Opportunities for Sale, Lease or Co-Location of Shire-Owned Land and Buildings*
A confidential item was presented to the April Ordinary Council Meeting which discussed the opportunities for the disposal of Shire residential property. The Council resolved to engage real estate agents to market two properties in Kununurra and one property in Wyndham. The Council also resolved to lease any vacant Shire residential properties.

To date, the real estate agents have been engaged, however given the property market has plateaued, it is unlikely that these properties will sell quickly. To date there has been very little interest expressed in relation to the properties in Kununurra, with some interest expressed in the property at Wyndham. As a result of this, sale proceeds have not been incorporated into the 2015/16 Budget and will not be included until the properties are actually sold or leased.

Adoption of Accounting Policies

The Council should consider its accounting policies on an annual basis and adopt the policies to apply to financial reporting, including the annual financial statements and the budget. This is particularly important given the number of changes in the legislative requirements that the Shire is required to adhere to.

It is therefore proposed that the Council review and adopt the revised Council Policy CP/FIN-3201 *Significant Accounting Policies*, and in doing so repeal F20 *Non-Current Asset*

UV Mining Vacant

Includes all UV valued land located outside the gazetted town site which is used primarily for mining purposes and encompasses exploration and prospecting licences.

UV Other

Includes all UV valued land located outside the gazetted town site which is not otherwise rated as Rural Residential, Pastoral, Rural Agriculture 1, Rural Agriculture 2, Mining or Mining Vacant.

COUNCIL DECISION

Minute No. 11090

Moved: Cr B Robinson

Seconded: Cr S Cooke

That Council adopt the revised CP/FIN-3200 Strategic Rating Policy which incorporates the following categories for 2015/16 rating purposes:

GRV Residential

Includes all GRV valued land within the town site which is used primarily for residential purposes with the exception of Transient Accommodation and as outlined in Appendix A of the Strategic Rating Policy.

GRV Other Vacant

Includes all GRV valued land within the town site which is deemed to be vacant land (unimproved land).

GRV Commercial

Includes all GRV land which is used primarily for commercial purposes, and may include land uses such as caravan parks, fast food outlets, hotels, restaurants, boarding houses or veterinary consulting rooms as outlined in Appendix A of the Strategic Rating Policy.

GRV Industrial

Includes all GRV valued land which is used primarily for industrial purposes and as outlined in Appendix A of the Strategic Rating Policy.

UV Rural Residential

Includes all UV valued land located outside the gazetted town site that is zoned Rural Living, Rural Smallholding and Special Rural which is used primarily for or capable of being used primarily for rural residential purposes.

UV Pastoral

Includes all UV valued land located outside the gazetted town site which is used or capable of use primarily for pastoral purposes. Properties such as these have the characteristics of a commercial operation in an undeveloped and sparsely populated area.

UV Commercial/Industrial

Includes all UV valued land located outside the gazetted town site that is used primarily for, or capable of being used primarily for commercial, industrial and/or tourism purposes.

UV Rural Agriculture 1

Includes all UV valued land located outside the gazetted town site which is zoned Rural Agriculture 1 or General Rural which is used or capable of being used primarily for extensive agriculture, agroforestry and/or horticulture purposes.

UV Rural Agriculture 2

Includes all UV valued land located outside the gazetted town site which is zoned Rural Agriculture 2 which is used primarily for, or is capable of use primarily for intensive agriculture and/or horticulture purposes.

UV Mining

Includes all UV valued land located outside the gazetted town site which is used primarily for mining purposes and encompasses mining leases, petroleum exploration permits and general purpose mining leases.

UV Mining Vacant

Includes all UV valued land located outside the gazetted town site which is used primarily for mining purposes and encompasses exploration and prospecting licences.

UV Other

Includes all UV valued land located outside the gazetted town site which is not otherwise rated as Rural Residential, Pastoral, Rural Agriculture 1, Rural Agriculture 2, Mining or Mining Vacant.

Carried Unanimously 8/0

VOTING REQUIREMENT

Absolute Majority

OFFICER’S RECOMMENDATION 5

That the Council notes that Minute Numbers 10891, 10894, 10897 and 10898 in relation to fees and charges has been incorporated into the 2015/16 Budget document attached.

COUNCIL DECISION

Minute No. 11094

**Moved: Cr S Cooke
Seconded: Cr B Robinson**

That the Council notes that Minute Numbers 10891, 10894, 10897 and 10898 in relation to fees and charges has been incorporated into the 2015/16 Budget document attached.

Carried Unanimously 8/0

VOTING REQUIREMENT

Absolute Majority

OFFICER’S RECOMMENDATION 6

That the Council amends the fees associated with:

- 1. All labour rates and plant rates listed in the Fees and Charges Schedule to reflect the 15% administration charge is additional to the rates;
- 2. Inspections less than 1 hour out of the office: \$148.50 (GST Incl.)
- 3. Inspection for each additional hour out of the office (per hour): \$148.50 (GST Incl.).

COUNCIL DECISION

Minute No. 11095

**Moved: Cr B Robinson
Seconded: Cr D Learbuch**

That the Council amends the fees associated with:

- 1. **All labour rates and plant rates listed in the Fees and Charges Schedule to reflect the 15% administration charge is additional to the rates;**
- 2. **Inspections less than 1 hour out of the office: \$148.50 (GST Incl.)**
- 3. **Inspection for each additional hour out of the office (per hour): \$148.50 (GST Incl.).**

Carried Unanimously 8/0

VOTING REQUIREMENT

Absolute Majority

OFFICER'S RECOMMENDATION 7

That pursuant to section 6.16 of the *Local Government Act 1995* that Council imposes new fees for:

1. Assessment of Applications (eg. cattle grids, private works requests) (per hour): \$148.50 (GST Incl.);
2. Impounding of Non-Perishable Goods Seizure Fee: \$92.40 (GST Incl.);
3. Impounding of Non-Perishable Goods – Poundage charge, each day: \$17.90 (GST Incl);
4. Crossover Subsidy – Maximum of \$2,500 with each application being assessed in accordance with Council Policy *CP/OPS-3653 Vehicle Crossover Subsidy*, prior to the subsidy being provided.

COUNCIL DECISION

Minute No. 11096

Moved: Cr B Robinson
Seconded: Cr S Cooke

That pursuant to section 6.16 of the *Local Government Act 1995* that Council imposes new fees for:

1. **Assessment of Applications (eg. cattle grids, private works requests) (per hour): \$148.50 (GST Incl.);**
2. **Impounding of Non-Perishable Goods Seizure Fee: \$92.40 (GST Incl.);**
3. **Impounding of Non-Perishable Goods – Poundage charge, each day: \$17.90 (GST Incl);**
4. **Crossover Subsidy – Maximum of \$2,500 with each application being assessed in accordance with Council Policy *CP/OPS-3653 Vehicle Crossover Subsidy*, prior to the subsidy being provided.**

Carried Unanimously 8/0

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION 9

That Council, pursuant to section 6.45 of the *Local Government Act 1995* and in accordance with regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, nominate the following due dates for the payment of rates and service charges for the 2015/16 financial year:

- (a) 16 October 2015; or to pay in full within 35 days of issue of the rates notice;
- (b) To pay by 2 equal instalments being:
 - (i) 50% of the rates: 16 October 2015 or within 35 days of issue of the rates notice;
 - (ii) 50% of the rates: 19 February 2016 or within 4 months of (i);
- (c) To pay by 4 equal instalments being:
 - (i) 25% of the rates: 16 October 2015 or within 35 days of issue of the rates notice;
 - (ii) 25% of the rates: 18 December 2015 or within 2 months of (i);
 - (iii) 25% of the rates: 19 February 2016 or within 2 months of (ii);
 - (iv) 25% of the rates: 22 April 2016 or within 2 months of (iii) being 6 months from the expiration of the initial 35 day period and 6 months and 35 days from the date of issue of the notice.

COUNCIL DECISION

Minute No. 11098

Moved: Cr S Cooke

Seconded: Cr D Learbuch

That Council, pursuant to section 6.45 of the *Local Government Act 1995* and in accordance with regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, nominate the following due dates for the payment of rates and service charges for the 2015/16 financial year:

- (a) 16 October 2015; or to pay in full within 35 days of issue of the rates notice;
- (b) To pay by 2 equal instalments being:
 - (i) 50% of the rates: 16 October 2015 or within 35 days of issue of the rates notice;
 - (ii) 50% of the rates: 19 February 2016 or within 4 months of (i);
- (c) To pay by 4 equal instalments being:
 - (i) 25% of the rates: 16 October 2015 or within 35 days of issue of the rates notice;
 - (ii) 25% of the rates: 18 December 2015 or within 2 months of (i);
 - (iii) 25% of the rates: 19 February 2016 or within 2 months of (ii);
 - (iv) 25% of the rates: 22 April 2016 or within 2 months of (iii) being 6 months from the expiration of the initial 35 day period and 6 months and 35 days from the date of issue of the notice.

Carried Unanimously 8/0

VOTING REQUIREMENT

Absolute Majority

OFFICER'S RECOMMENDATION 10

That Council, in accordance with section 6.51 of the *Local Government Act 1995*, and Regulation 70 of the *Local Government (Financial Management) Regulations 1996*, impose interest at 9% per annum calculated on a daily basis on rates and service charges and costs of proceedings to recover such charges that remain unpaid after becoming due and payable (excluding eligible pensioners) and where:

- a) No instalment option is taken – interest is applied 35 days after the date of issue of the Rates Notice.
- b) Instalment option is taken – interest is applied after the due date of the instalment, and continues to accrue until the instalment is paid.

COUNCIL DECISION

Minute No. 11099

**Moved: Cr B Robinson
Seconded: Cr S Cooke**

That Council, in accordance with section 6.51 of the *Local Government Act 1995*, and Regulation 70 of the *Local Government (Financial Management) Regulations 1996*, impose interest at 9% per annum calculated on a daily basis on rates and service charges and costs of proceedings to recover such charges that remain unpaid after becoming due and payable (excluding eligible pensioners) and where:

- a) No instalment option is taken – interest is applied 35 days after the date of issue of the Rates Notice.**
- b) Instalment option is taken – interest is applied after the due date of the instalment, and continues to accrue until the instalment is paid.**

Carried Unanimously 8/0

VOTING REQUIREMENT

Absolute Majority

OFFICER'S RECOMMENDATION 11

That Council:

1. Pursuant to section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, adopts an instalment administration charge where the owner has elected to pay rates and service charges through an instalment option of \$11.30 per instalment notice after the initial instalment is paid;
2. Pursuant to section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, adopts an interest rate of 5.5% per annum calculated daily where the owner has elected to pay rates and service chargers through an instalment option (excluding eligible pensioners);
3. Notes that the 2015/16 Fees and Charges Schedule includes a \$57.60 charge for the initial establishment of a rates special payment arrangement along with an \$9.40 charge for each instalment of the rates special payment arrangement.

COUNCIL DECISION

Minute No. 11100

Moved: Cr B Robinson

Seconded: Cr S Cooke

That Council:

1. Pursuant to section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, adopts an instalment administration charge where the owner has elected to pay rates and service charges through an instalment option of \$11.30 per instalment notice after the initial instalment is paid;
2. Pursuant to section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, adopts an interest rate of 5.5% per annum calculated daily where the owner has elected to pay rates and service chargers through an instalment option (excluding eligible pensioners);
3. Notes that the 2015/16 Fees and Charges Schedule includes a \$57.60 charge for the initial establishment of a rates special payment arrangement along with an \$9.40 charge for each instalment of the rates special payment arrangement.

Carried Unanimously 8/0

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION 12

That the Council notes that the following rates concessions and waiver of waste management charges in accordance with section 6.47 of the *Local Government Act 1995* are contained within the 2015/16 Budget document as per Minute Number 10406:

Assessment Number	Address	Rates \$	Waste Management Charge \$	TOTAL \$
A1072	Kununurra Progress Association	20,067.67	200.00	20,267.67
A4993	Lake Kununurra Golf Club	8,822.80	200.00	9,022.80
A7620	Kununurra Agricultural Society	3,487.66	200.00	3,687.66
A2589	Kununurra Race Club	3,151.00	200.00	3,351.00
A2866	Ord River Pistol Club	2,067.06	200.00	2,267.06
A7561	Ord River Sailing Club	2,048.15	200.00	2,248.15
A502	Wyndham Gardens Inc.	1,948.74	200.00	2,148.74
A7566	Kununurra Water Ski Club	1,884.30	200.00	2,084.30
A5616	Kununurra Motocross Club	1,682.63	200.00	1,882.63
A5621	Kununurra Speedway Inc.	1,657.43	200.00	1,857.43
TOTAL		46,817.44	4,000.00	50,817.44

COUNCIL DECISION

Minute No. 11101

Moved: Cr D Learbuch

Seconded: Cr D Spackman

That the Council notes that the following rates concessions and waiver of waste management charges in accordance with section 6.47 of the *Local Government Act 1995* are contained within the 2015/16 Budget document as per Minute Number 10406:

Assessment Number	Address	Rates \$	Waste Management Charge \$	TOTAL \$
A1072	Kununurra Progress Association	20,067.67	200.00	20,267.67
A4993	Lake Kununurra Golf Club	8,822.80	200.00	9,022.80
A7620	Kununurra Agricultural Society	3,487.66	200.00	3,687.66
A2589	Kununurra Race Club	3,151.00	200.00	3,351.00
A2866	Ord River Pistol Club	2,067.06	200.00	2,267.06
A7561	Ord River Sailing Club	2,048.15	200.00	2,248.15
A502	Wyndham Gardens Inc.	1,948.74	200.00	2,148.74
A7566	Kununurra Water Ski Club	1,884.30	200.00	2,084.30
A5616	Kununurra Motocross Club	1,682.63	200.00	1,882.63
A5621	Kununurra Speedway Inc.	1,657.43	200.00	1,857.43
TOTAL		46,817.44	4,000.00	50,817.44

Carried Unanimously 8/0

VOTING REQUIREMENT

Absolute Majority

OFFICER'S RECOMMENDATION 13

That Council notes that the following annual attendance fees and annual allowances have been incorporated into the 2015/16 Budget as per Minute Number 10976:

Description	2015/16	
	Individual Members	All Members
Annual Attendance Fees for a Council Member other than the President	\$15,683	\$125,464
Annual Attendance Fee for a Council Member who holds the office of President	\$15,683	\$15,683
Annual Allowance for a President	\$31,200	\$31,200
Annual Allowance for a Deputy President (25%)	\$7,800	\$7,800
TOTAL		\$180,147

COUNCIL DECISION

Minute No. 11102

Moved: Cr B Robinson
Seconded: Cr S Cooke

That Council notes that the following annual attendance fees and annual allowances have been incorporated into the 2015/16 Budget as per Minute Number 10976:

Description	2015/16	
	Individual Members	All Members
Annual Attendance Fees for a Council Member other than the President	\$15,683	\$125,464
Annual Attendance Fee for a Council Member who holds the office of President	\$15,683	\$15,683
Annual Allowance for a President	\$31,200	\$31,200
Annual Allowance for a Deputy President (25%)	\$7,800	\$7,800
TOTAL		\$180,147

Carried 5/3

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

VOTING REQUIREMENT

Simple Majority

OFFICER’S RECOMMENDATION 14

That materiality level for monthly reporting be set at +/-10% and +/--\$20,000 at account level and +/-10% and +/- \$100,000 at financial statement level.

COUNCIL DECISION

Minute No. 11103

Moved: Cr K Wright
Seconded: Cr B Robinson

That materiality level for monthly reporting be set at +/-10% and +/--\$20,000 at account level and +/-10% and +/- \$100,000 at financial statement level.

Carried Unanimously 8/0

VOTING REQUIREMENT

Absolute Majority

OFFICER’S RECOMMENDATION 15

That Council, in accordance with section 6.11 of the *Local Government Act 1995*, approves:

1. *the establishment of an Unspent Grants and Loans Reserve for the purpose: “to provide a mechanism for restricting prepaid grants, conditional unspent grants and loan proceeds unspent in a particular financial year where the expenditure will be undertaken in future years”; and*
2. *the establishment of a Contiguous Local Authority Group (CLAG) Reserve for the purpose “to hold funds received to be used for the ongoing management, funding and technical aspects of health-driven mosquito control in an effort to reduce the risk of mosquito-borne diseases within the boundaries of the Shire of Wyndham East Kimberley”; and*
3. *the establishment of a Kununurra Youth Hub Reserve for the purpose “to hold lease payments from the Kununurra Youth Hub to provide for the maintenance, renewal and upgrade of the building in accordance with the lease conditions.”*

COUNCIL DECISION

Minute No. 11104

Moved: Cr S Cooke

Seconded: Cr D Learbuch

That Council, in accordance with section 6.11 of the *Local Government Act 1995*, approves:

1. *the establishment of an Unspent Grants and Loans Reserve for the purpose: “to provide a mechanism for restricting prepaid grants, conditional unspent grants and loan proceeds unspent in a particular financial year where the expenditure will be undertaken in future years”; and*
2. *the establishment of a Contiguous Local Authority Group (CLAG) Reserve for the purpose “to hold funds received to be used for the ongoing management, funding and technical aspects of health-driven mosquito control in an effort to reduce the risk of mosquito-borne diseases within the boundaries of the Shire of Wyndham East Kimberley”; and*
3. *the establishment of a Kununurra Youth Hub Reserve for the purpose “to hold lease payments from the Kununurra Youth Hub to provide for the maintenance, renewal and upgrade of the building in accordance with the lease conditions.”*

Carried Unanimously 8/0

VOTING REQUIREMENT

Absolute Majority

OFFICER'S RECOMMENDATION 16

That Council, in accordance with section 6.11 of the *Local Government Act 1995*, approves the modification of the purpose of each of the following reserves to be:

1. *Waste Management – to provide for the operation, maintenance, renewal and upgrade of existing and new waste management facilities within the Shire of Wyndham East Kimberley.*
2. *Airport – to provide for the operation, maintenance, renewal and upgrade of existing and new airport facilities within the Shire of Wyndham East Kimberley.*
3. *Plant and Equipment – to provide for the plant management program.*
4. *Civic Buildings – to provide for the maintenance, renewal, upgrade of existing and new civic buildings within the Shire of Wyndham East Kimberley.*
5. *East Kimberley Tourism – to provide for the significant maintenance, renewal and upgrade of the East Kimberley Tourism House.*
6. *Foreshore – to hold lease and licence payments from occupiers of the Lake Kununurra Foreshore Reserve to provide for the implementation of specific actions outlined in the Lake Kununurra Foreshore and Aquatic Use Plan 2012.*
7. *Childcare – to hold lease payments from the Kununurra Childcare Centre to provide for the significant maintenance and renewal of the building.*

MOTION

Cr B Robinson moves Officer's Recommendation with the removal of dot point 6.

Cr D Spackman seconds this motion.

Cr B Robinson withdraws the amendment.

COUNCIL DECISION

Minute No. 11105

Moved: Cr B Robinson

Seconded: Cr D Spackman

That Council, in accordance with section 6.11 of the *Local Government Act 1995*, approves the modification of the purpose of each of the following reserves to be:

1. *Waste Management – to provide for the operation, maintenance, renewal and upgrade of existing and new waste management facilities within the Shire of Wyndham East Kimberley.*
2. *Airport – to provide for the operation, maintenance, renewal and upgrade of existing and new airport facilities within the Shire of Wyndham East Kimberley.*
3. *Plant and Equipment – to provide for the plant management program.*
4. *Civic Buildings – to provide for the maintenance, renewal, upgrade of existing and new civic buildings within the Shire of Wyndham East Kimberley.*
5. *East Kimberley Tourism – to provide for the significant maintenance, renewal and upgrade of the East Kimberley Tourism House.*
6. *Foreshore – to hold lease and licence payments from occupiers of the Lake Kununurra Foreshore Reserve to provide for the implementation of specific actions outlined in the Lake Kununurra Foreshore and Aquatic Use Plan 2012.*
7. *Childcare – to hold lease payments from the Kununurra Childcare Centre to provide for the significant maintenance and renewal of the building.*

Carried unanimously 8/0

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION 17

That Council rescinds the Council Policy *F20 Non-Current Asset Capitalisation and Depreciation Control*.

COUNCIL DECISION

Minute No. 11106

Moved: Cr S Cooke
Seconded: Cr G King

That Council rescinds the Council Policy *F20 Non-Current Asset Capitalisation and Depreciation Control*.

Carried Unanimously 8/0

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION 18

That Council adopts the revised policy CP/FIN3201 - Significant Accounting Policies.

COUNCIL DECISION

Minute No. 11107

Moved: Cr K Wright
Seconded: Cr D Learbuch

That Council adopts the revised policy CP/FIN3201 - Significant Accounting Policies.

Carried Unanimously 8/0

VOTING REQUIREMENT

Absolute Majority

OFFICER’S RECOMMENDATION 19

Pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, the Council adopt the Municipal Fund Budget as contained in Attachment 1 of this agenda, for the Shire of Wyndham East Kimberley for the 2015/16 financial year which includes the following:

1. Statement of Comprehensive Income by Nature and Type showing a net result for that year of \$1,853,492;
2. Statement of Comprehensive Income by Program showing a net result for that year of \$1,853,492;
3. Statement of Cash Flows;
4. Rate Setting Statement showing an amount required to be raised from rates of \$9,951,565;
5. Notes to and Forming Part of the Budget;
6. Budget Schedules including the Capital Expenditure Program;
7. Fees and Charges Schedule.

COUNCIL DECISION

Minute No. 11108

Moved: Cr B Robinson

Seconded: Cr S Cooke

Pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, the Council adopt the Municipal Fund Budget as contained in Attachment 1 of this agenda, for the Shire of Wyndham East Kimberley for the 2015/16 financial year which includes the following:

1. Statement of Comprehensive Income by Nature and Type showing a net result for that year of \$1,853,492;
2. Statement of Comprehensive Income by Program showing a net result for that year of \$1,853,492;
3. Statement of Cash Flows;
4. Rate Setting Statement showing an amount required to be raised from rates of \$9,951,565;
5. Notes to and Forming Part of the Budget;
6. Budget Schedules including the Capital Expenditure Program;
7. Fees and Charges Schedule.

Carried Unanimously 8/0

OFFICER'S RECOMMENDATION 20

That Council, in accordance with Section 6.13 of the *Local Government Act 1995*, impose interest at 11% on any amount of money (other than rates and service charges).

Motion

Cr K Wright moves the Officer's Recommendation with an amendment that the imposed interest is at 9% (in place of 11%) and that associated adjustments are made within attachment 1 of this agenda item.

COUNCIL DECISION

Minute No. 11109

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

That Council, in accordance with Section 6.13 of the Local government Act 1995, impose interest at 9% on any amount of money (other than rates and service charges) and that associated adjustments are made within attachment 1 of this agenda item (13.5.4 Adoption of 2015/16 Annual Budget).

Carried Unanimously 8/0



SHIRE of WYNDHAM | EAST KIMBERLEY

DRAFT BUDGET

2015 | 2016

SHIRE of WYNDHAM EAST KIMBERLEY

Draft Budget 2015-16

Contact Details:

Chief Executive Officer
PO Box 614
KUNUNURRA WA 6743

Kununurra Administration
20 Coolibah Drive
KUNUNURRA

Phone: 08 9168 4100
Fax: 08 9168 1798

Wyndham Administration
Koolama Street
WYNDHAM

Phone: 08 9161 1002
Fax: 08 9161 1295

Email: mail@swek.wa.gov.au

Website: www.swek.wa.gov.au

Vision

For the East Kimberley to be a thriving community with opportunities for all.

Mission

To enable the East Kimberley to develop in a manner that will achieve social, cultural, economic and environmental benefits for all.

SHIRE of WYNDHAM EAST KIMBERLEY

Draft Budget 2015-16

Contents

Members of Council	Page 1
Shire President's Prologue	Page 3
Our Strategic Direction	Page 4
Financial Statements	Page 10
* Statement of Comprehensive Income by Nature or Type	Page 11
* Statement of Comprehensive Income by Program	Page 12
* Cash Flow Statement	Page 14
* Rate Setting Statement	Page 16
Notes to and Forming Part of the Budget	Page 18
Budget Schedules	Page 68
* Capital Expenditure Program	Page 69
* Plant Management Program	Page 71
* Schedule of Fees and Charges	Page 74

**SHIRE of WYNDHAM EAST KIMBERLEY
Draft Budget 2015-16**

Members of Council

Shire President



Cr John Moulden

Elected - 2007

Term Expires - 2015

Elected Shire President - October
2011

Deputy Shire President



Cr Raymond (Spike) Dessert

Elected - 2010

Term Expires - 2015

Elected Deputy Shire President -
October 2013

Councillor



Cr Keith Wright

Elected - 2013

Term Expires - 2017

Councillor



Cr Sophie Cooke

Elected - 2013

Term expires - 2017

Councillor



Cr Darren Spackman

Elected - 2013

Term expires - 2017

Councillor



Cr Beau Robinson

Elected - 2013

Term expires - 2017

**SHIRE of WYNDHAM EAST KIMBERLEY
Draft Budget 2015-16**

Members of Council

Councillor



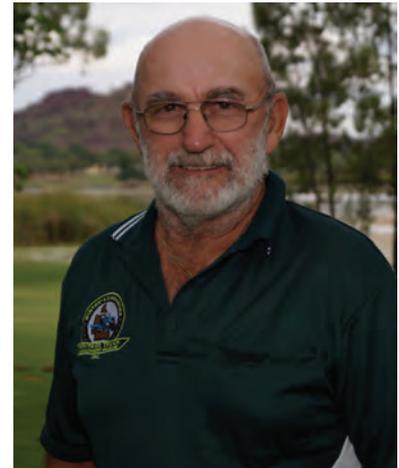
Cr Don Learbuch
Elected - 2013
Term expires - 2015

Councillor



Cr Glenn Taylor
Elected - 2013
Term expires - 2015

Councillor



Cr Gary King
Elected - 2013
Term expires - 2015

SHIRE of WYNDHAM EAST KIMBERLEY

Draft Budget 2015-16

Our Strategic Direction

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

Objective 1.1: Strong community engagement

- Undertake community satisfaction survey \$ 8,000

Objective 1.2: Alignment of regional and local priorities with other agencies and community groups

- Kimberley Zone \$ 80,000
- Undertake Kimberley Zone/RCG records management initiative \$ 8,500
- Implement Kimberley Zone/RCG corporate performance management and business intelligence initiatives
- Work with the RCG to implement the Kimberley Youth Strategy
- Work with the RCG to implement the Kimberley Volunteering Strategy

Objective 1.3: Advocacy of East Kimberley issues and opportunities at regional state and national levels.

- Lobby and representation \$ 13,000

Objective 1.4: Business innovation, efficiency and improved services

- Develop Asset Management Plan; enhance condition assessments for all assets \$ 150,000
- Develop Long Term Financial Plan
- Replace server room UPS and increase storage capacity \$ 101,000
- Undertake competitive neutrality review and fee modelling for the airports \$ 20,000
- Undertake competitive neutrality review for the landfills \$ 10,000
- Implement inter-site network connectivity \$ 60,000
- Promote and facilitate the Council elections process \$ 49 000

SHIRE of WYNDHAM EAST KIMBERLEY

Draft Budget 2015-16

Our Strategic Direction

Goal 2: Greater returns from regional investment to ensure sustainable provision of appropriate physical and social infrastructure

Objective 2.1: A highly valuable East Kimberley economy that maximises social benefits

- Provide financial and administrative support to events \$ 100,000

Objective 2.2: Maintenance of economic diversity and greater community returns from investment in the region

- East Kimberley Regional Airport runway asphalt overlay \$ 3,282,000
- Wyndham Airport runway \$ 300,000
- East Kimberley Regional Airport construction of new overflow carpark \$ 150,000
- East Kimberley Regional Airport runway extension business case and preliminary design \$ 144,000
- Develop Structure Plans for East Lily Creek and Kununurra Civic Centre \$ 72,000
- East Kimberley Regional Airport partial terminal flooring replacement \$ 24,000
- Wyndham Airport car park \$ 10,000

Objective 2.3: Facilities are appropriate for their intended purpose and factor in whole of life costing and maintenance

- Streets, roads and bridges maintenance \$ 4,863,000
- Undertake second coat seal on Goomig Farmlands Roads \$ 2,889,000
- Kalumburu Road renewal \$ 1,177,000
- Lake Argyle Road Stage 1—extend culvert road crossings between Victoria Highway and Spillway Creek bridge \$ 555,000
- Wyndham reseal program \$ 400,000
- Upgrade Research station Road/Egret Close/Mills Road \$ 350,000
- Reconstruct Nutwood and Rosewood Streets \$ 300,000
- Maintain, renew and upgrade playspaces in accordance with Playspace Plan \$ 308,000
- Mangaloo Street traffic management improvements \$ 201,000
- Renew / upgrade sections of Carlton Hill Road \$ 151,000
- Wyndham townsite footpath upgrade program \$ 109,000
- Meatworks Road Wyndham - Reconstruct and Seal \$ 100,000
- Undertake Ivanhoe Crossing works \$ 36,000

Objective 2.4: High standard of health and community facilities and services available to all residents

- Manage and support library services \$ 426,000
- Manage and provide environmental health services including mosquito control \$ 300,000
- Undertake accessibility works to Administration Building entry \$ 40,000

Objective 2.5: East Kimberley residents have access to a broad range of educational opportunities

- Identify land for suitable educational establishment in line with growth management plans
- Support culturally appropriate alternative education opportunities
- Lobby the Department of Education for more school based apprenticeships

SHIRE of WYNDHAM EAST KIMBERLEY

Draft Budget 2015-16

Our Strategic Direction

Goal 3: Protection and enhancement of lifestyle values, community facilities and the environment to provide safe and inviting communities.

Objective 3.1: A broad range of lifestyle opportunities and activities are available for East Kimberley residents

- Support civic and volunteer events \$ 18 000

Objective 3.2: Waste management and protection of environmental values

- Manage landfills and provide waste / litter services \$ 2,503,000
- Review the Waste Management Strategy \$ 30,000

Objective 3.3: Towns are safe and inviting for locals and tourists

- Provide ranger services \$504,000
- Manage and provide building services \$ 204,000
- Manage fire and emergency services \$ 72,000
- Prepare a Trails Masterplan incorporating the Wyndham Port footpath and Kununurra foreshore trails \$ 70,000
- Development and gazettal of Local Planning Strategy and Scheme \$ 57,000
- Install the Welcome to Country Signage at the East Kimberley Regional Airport \$35,000
- Implement Takeaway Alcohol Management System trial

Objective 3.4: Protection and enhancement of community facilities

- Kununurra parks and gardens maintenance \$ 957,000
- Design and feasibility for a new leisure and aquatic facility \$ 400,000
- Wyndham parks and gardens maintenance \$ 309,000
- Manage Wyndham Community Resource Centre \$ 135,000
- Upgrade Wyndham waste water reuse treatment facility \$ 42,000

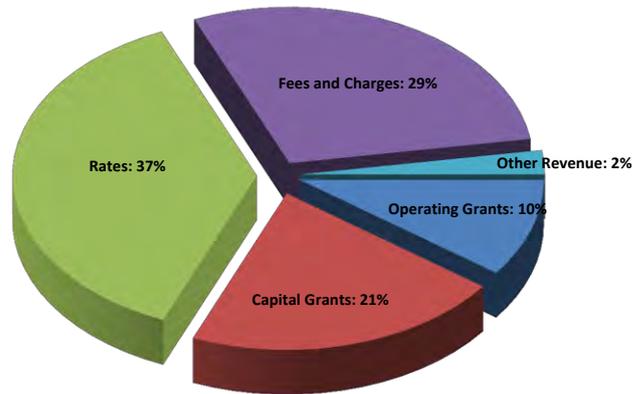
Objective 3.5: An active outdoor lifestyle is encouraged and promoted

- Upgrade Lily Creek Lagoon boating facilities and car park \$ 1,316,000
- Maintain boat ramps in Kununurra and Wyndham \$ 78,000
- Kununurra Swimming Complex \$ 1,029,000
- Wyndham Swimming Complex \$ 349,000

SHIRE of WYNDHAM EAST KIMBERLEY Draft Budget 2015-16

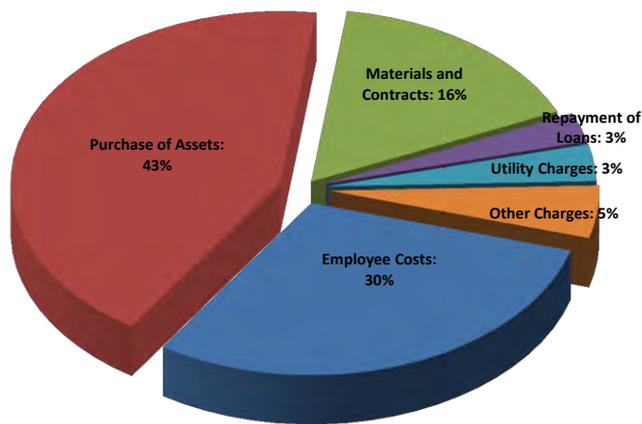
At a Glance

How are the funds raised?

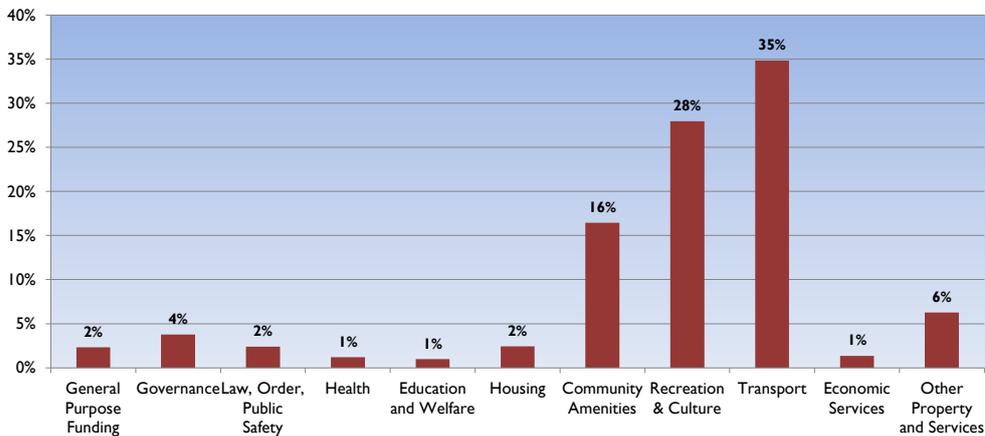


How are the funds spent?

Expenditure By Resource



Expenditure By Program



**SHIRE of WYNDHAM EAST KIMBERLEY
Draft Budget 2015-16**

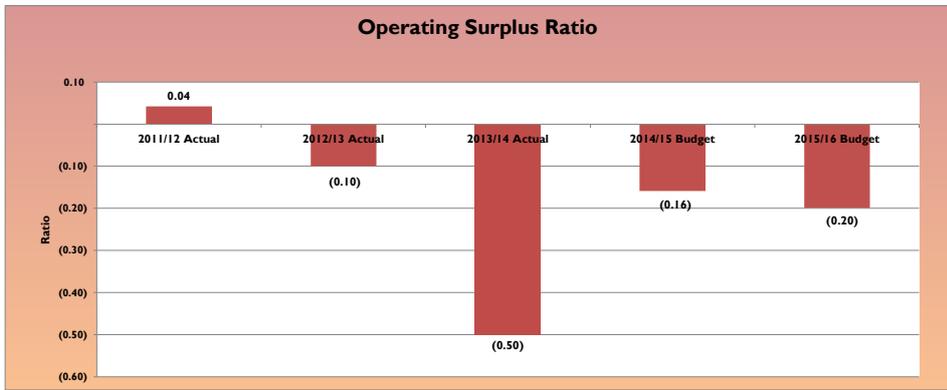
Financial Ratios

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

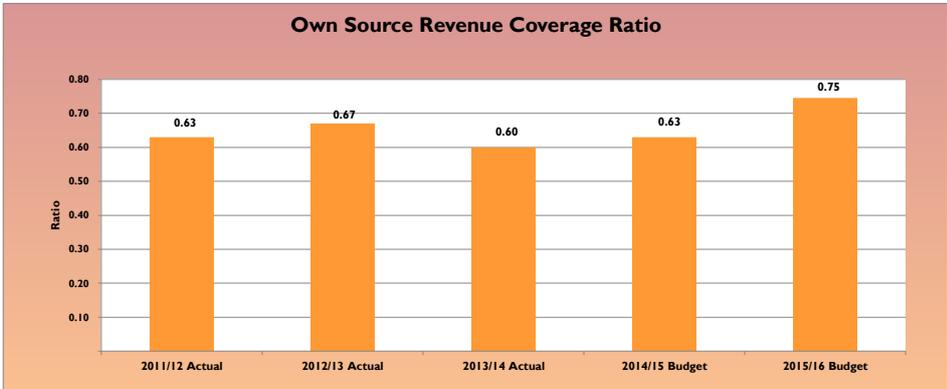
* Adjusted for "one-off" non-cash items as disclosed in the annual financial report.

Above target as per guidelines	Within acceptable banding as per guidelines	Below acceptable banding as per guidelines
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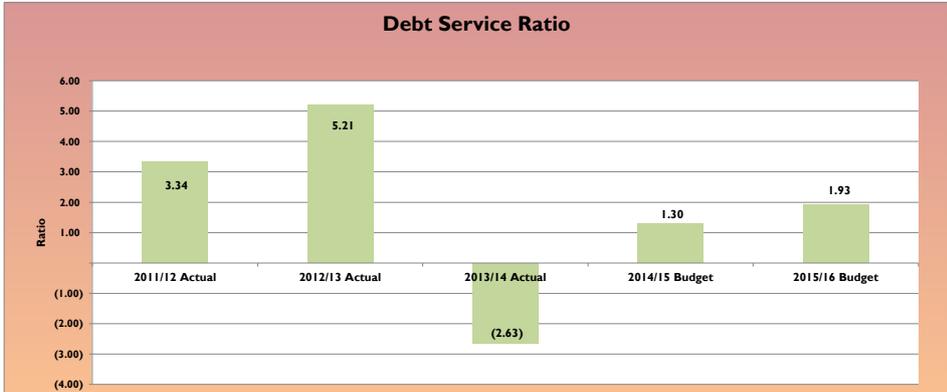
	Target Ratio for "Basic" Standard ¹	Target Ratio for "Intermediate"	Target Ratio for "Advanced" Standard ¹	Draft Budget Ratio	Adopted Budget Ratio	Actual Ratios		
				2015/16	2014/15	2013/14*	2012/13*	2011/12
Debt Service Cover Ratio	≥ 2	N/A	≥ 15	1.93	1.32	(2.63)	5.21	3.34
Operating Surplus Ratio	0.01 - 0.15	N/A	≥ 0.15	(0.20)	(0.16)	(0.50)	(0.10)	0.04
Own Source Revenue Coverage Ratio	0.4 - 0.6	0.6 - 0.9	> 0.9	0.75	0.63	0.60	0.67	0.63



Purpose of Operating Surplus Ratio	Commentary on 2015/16 Draft Budget Result (0.20)
To assess the Shire's ability to cover its operational costs and have revenues available for capital funding or other purposes	This ratio is reasonably stable, however the Shire will need to ensure it remains vigilant with its expenditure program moving forward in an attempt to increase the net result and improve the operating surplus.



Purpose of Operating Surplus Ratio	Commentary on 2015/16 Draft Budget Result 0.75
To assess the Shire's ability to cover its costs through its own revenue efforts.	This ratio is anticipated to improve for 2015/16 based on increased revenue and reduced expenditure from both 2013/14 and 2014/15.



Purpose of Debt Service Ratio	Commentary on 2015/16 Draft Budget Result 1.93
To assess the Shire's ability to repay its debt including lease payments.	This ratio has predominantly improved as a result of the reduction in principal repayments on loans reducing compared to 2014/15.

FINANCIAL STATEMENTS

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Statement of Comprehensive Income by Nature or Type

For the Year Ended 30 June 2016

	Note	2015/16 Draft Budget \$	2014/15 Actuals \$	2014/15 Revised Budget \$	2014/15 Adopted Budget \$
Revenue					
Rates	8	9,951,565	9,255,495	9,226,536	9,180,615
Operating Grants, Subsidies, Contributions		2,701,382	10,672,038	8,768,709	6,849,231
Fees and Charges	11	7,691,734	7,213,151	7,657,339	7,645,304
Service Charges	10	0	0	0	0
Interest Earnings	2(a)	395,557	439,515	399,833	406,500
Other Revenue		225,876	295,389	293,700	195,600
		<u>20,966,113</u>	<u>27,875,588</u>	<u>26,346,117</u>	<u>24,277,250</u>
Expenses					
Employee Costs		(10,462,339)	(10,059,982)	(10,567,563)	(10,472,574)
Materials and Contracts		(5,677,798)	(8,298,861)	(9,737,136)	(7,838,713)
Utility Charges		(1,216,206)	(1,072,018)	(1,139,630)	(1,110,458)
Depreciation on Non-Current Assets	2(a)	(5,765,188)	(5,284,756)	(5,818,820)	(6,036,820)
Interest Expenses	2(a)	(275,230)	(252,359)	(323,675)	(375,149)
Insurance Expenses		(596,424)	(632,797)	(633,582)	(638,882)
Other Expenditure		(770,007)	(720,031)	(753,761)	(752,583)
		<u>(24,763,192)</u>	<u>(26,320,804)</u>	<u>(28,974,167)</u>	<u>(27,225,177)</u>
Non-Operating Grants, Subsidies, Contributions		5,621,304	7,723,807	6,783,439	6,491,991
Profit on Asset Disposals	4	128,443	11,860	0	210,891
Loss on Asset Disposals	4	(88,232)	(401,309)	(451,621)	0
Net Result		<u>1,864,437</u>	<u>8,889,143</u>	<u>3,703,768</u>	<u>3,754,955</u>
Other Comprehensive Income		0	0	0	0
Changes on re-valuation of non-current assets		0	0	0	0
Total Comprehensive Income		<u><u>1,864,437</u></u>	<u><u>8,889,143</u></u>	<u><u>3,703,768</u></u>	<u><u>3,754,955</u></u>

Notes: All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, are impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

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

Fair value adjustments will be assessed at the time they occur with compensating budget amendments made as necessary.

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

This statement is to be read in conjunction with the accompanying notes.
Minutes of the Council Meeting held on 12 August 2015
Meeting of the Council on 12 August 2015

SHIRE OF WYNDHAM EAST KIMBERLEY
DRAFT BUDGET 2015-16

Statement of Comprehensive Income by Program
For the Year Ended 30 June 2016

	Note	2015/16	2014/15	2014/15	2014/15
		Draft	Actuals	Revised	Adopted
		Budget		Budget	Budget
Revenue (Refer Notes 1,2,8 to 13)		\$	\$	\$	\$
General Purpose Funding		12,498,679	15,559,110	13,646,713	13,594,549
Governance		150,872	1,056,119	1,099,542	1,086,042
Law, Order, Public Safety		58,613	57,402	58,350	59,350
Health		92,506	69,215	77,650	80,500
Education and Welfare		11,500	81,706	96,434	77,000
Housing		121,590	190,416	193,711	230,828
Community Amenities		2,534,734	2,445,211	2,479,788	2,483,863
Recreation and Culture		997,143	849,415	779,986	724,402
Transport		4,160,621	7,282,144	7,620,117	5,750,793
Economic Services		96,365	81,511	99,423	97,923
Other Property and Services		243,490	203,340	194,402	92,000
		<u>20,966,113</u>	<u>27,875,588</u>	<u>26,346,117</u>	<u>24,277,250</u>
Expenses Excluding Finance Costs (Refer Notes 1,2 & 14)					
General Purpose Funding		(573,835)	(464,855)	(535,855)	(559,165)
Governance		(799,765)	(1,500,988)	(1,717,407)	(1,667,341)
Law, Order, Public Safety		(592,391)	(490,680)	(587,575)	(700,195)
Health		(299,639)	(283,218)	(300,930)	(324,635)
Education and Welfare		(227,210)	(285,210)	(312,439)	(270,475)
Housing		(599,189)	(611,740)	(689,171)	(762,293)
Community Amenities		(4,061,436)	(3,628,265)	(4,406,515)	(5,017,009)
Recreation & Culture		(6,866,822)	(5,714,702)	(6,795,074)	(6,629,318)
Transport		(8,601,589)	(10,684,732)	(11,822,709)	(9,579,825)
Economic Services		(330,981)	(443,808)	(503,172)	(517,692)
Other Property and Services		(1,535,104)	(1,960,247)	(979,645)	(820,582)
		<u>(24,487,962)</u>	<u>(26,068,445)</u>	<u>(28,650,492)</u>	<u>(26,848,530)</u>
Finance Costs (Refer Notes 2 & 5)					
Governance		(130,462)	(118,104)	(146,293)	(123,306)
Education and Welfare		(16,331)	(14,213)	(20,318)	(20,318)
Housing		(5,255)	(5,205)	(6,616)	(6,616)
Community Amenities		(83,112)	(85,947)	(95,927)	(95,927)
Recreation & Culture		(30,267)	(28,889)	(38,727)	(38,727)
Transport		0	0	(15,794)	(15,794)
Other Property and Services		(9,803)	0	0	(74,461)
		<u>(275,230)</u>	<u>(252,359)</u>	<u>(323,675)</u>	<u>(375,149)</u>

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Statement of Comprehensive Income by Program (Continued)

For the Year Ended 30 June 2016

	Note	2015/16 Draft Budget	2014/15 Actuals	2014/15 Revised Budget	2014/15 Adopted Budget
Non-Operating Grants, Subsidies, Contributions					
Governance		0	0	0	0
Law, Order, Public Safety		141,436	363,068	504,504	504,504
Housing		0	0	0	0
Community Amenities		30,000	0	0	73,500
Recreation & Culture		1,007,804	5,894	219,910	214,000
Transport		4,442,064	7,354,845	6,059,025	5,699,987
		<u>5,621,304</u>	<u>7,723,807</u>	<u>6,783,439</u>	<u>6,491,991</u>
Profit/(Loss) on Disposal of Assets (Refer Note 4)					
Law, Order, Public Safety		0	0	0	0
Housing		0	0	0	199,625
Community Amenities		0	(107,205)	(107,205)	0
Transport		0	0	0	0
Other Property and Services		40,211	(282,243)	(344,416)	11,266
		<u>40,211</u>	<u>(389,448)</u>	<u>(451,621)</u>	<u>210,891</u>
Net Result		<u>1,864,437</u>	<u>8,889,143</u>	<u>3,703,768</u>	<u>3,756,453</u>
Other Comprehensive Income		0	0	0	0
Total Comprehensive Income		<u>1,864,437</u>	<u>8,889,143</u>	<u>3,703,768</u>	<u>3,756,453</u>

Notes: All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, are impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

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

Fair value adjustments will be assessed at the time they occur with compensating budget amendments made as necessary.

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

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

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Statement of Cash Flows

For the Year Ended 30 June 2016

	Note	2015/16	2014/15	2014/15	2014/15
		Draft	Actuals	Revised	Adopted
		Budget		Budget	Budget
		\$	\$	\$	\$
Cash Flows From Operating Activities					
Receipts					
Rates		9,752,534	9,233,949	9,226,536	9,007,142
Operating Grants, Subsidies, Contributions		2,701,382	10,672,038	8,768,709	6,849,231
Service Charges		0	0	323,653	0
Fees and Charges		7,691,734	7,213,151	7,657,339	7,500,965
Interest Earnings		395,557	439,515	399,833	406,500
Goods and Services Tax		1,476,391	1,669,474	2,320,949	1,845,313
Other Revenue		225,876	295,389	293,700	495,600
		<u>22,243,473</u>	<u>29,523,516</u>	<u>28,990,719</u>	<u>26,104,751</u>
Payments					
Employee Costs		(10,419,577)	(10,059,982)	(10,567,563)	(10,418,297)
Materials and Contracts		(5,393,908)	(9,119,166)	(11,220,316)	(9,778,411)
Utility Charges		(1,216,206)	(1,072,018)	(1,139,630)	(1,110,460)
Insurance Expenses		(596,424)	(632,797)	(633,582)	(638,881)
Interest Expenses		(275,230)	(252,359)	(323,675)	(375,148)
Goods and Services Tax		(2,116,677)	(1,280,107)	(1,151,035)	(2,112,074)
Other Expenditure		(770,007)	(720,031)	(753,761)	(751,083)
		<u>(20,788,030)</u>	<u>(23,136,460)</u>	<u>(25,789,562)</u>	<u>(25,184,355)</u>
Net Cash Provided By					
Operating Activities	15(b)	<u>1,455,443</u>	<u>6,387,056</u>	<u>3,201,156</u>	<u>920,396</u>
Cash Flows from Investing Activities					
Payments for Development of					
Land Held for Resale		0	0	0	0
Payments for Purchase of					
Property, Plant & Equipment		(1,743,773)	(566,706)	(983,522)	(777,462)
Payments for Construction of					
Infrastructure		(13,279,239)	(5,071,297)	(4,582,449)	(4,786,822)
Non-Operating Grants, Subsidies, Contributions					
used for the Development of Assets		5,621,304	7,723,807	6,783,439	6,491,991
Proceeds from Sale of					
Land Held for Resale		0	0	0	0
Proceeds from Sale of					
Plant & Equipment	4	363,237	57,204	256,403	394,000
Net Cash Used in Investing Activities		<u>(9,038,471)</u>	<u>2,143,008</u>	<u>1,473,871</u>	<u>1,321,707</u>

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Statement of Cash Flows (Continued)

For the Year Ended 30 June 2016

	Note	2015/16 Draft Budget \$	2014/15 Actuals \$	2014/15 Revised Budget \$	2014/15 Adopted Budget \$
Cash Flows from Financing Activities					
Repayment of Debentures	5	(954,447)	(2,261,456)	(2,350,331)	(2,406,937)
Repayment of Finance Leases					
Proceeds from Self Supporting Loans					
Proceeds from New Debentures	5	0	1,803,218	1,803,218	1,803,218
Net Cash Provided By (Used In) Financing Activities		(954,447)	(458,238)	(547,113)	(603,719)
Net Increase (Decrease) in Cash Held		(8,537,475)	8,071,826	4,127,914	1,638,383
Cash at Beginning of Year		16,987,535	8,915,709	8,915,709	8,911,716
Cash and Cash Equivalent at the End of the Year	15(a)	8,450,060	16,987,535	13,043,623	10,550,098

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

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Rate Setting Statement

For the year ended 30 June 2016

	Note	2015/16 Draft Budget \$	2014/15 Actuals \$	2014/15 Revised Budget \$	2014/15 Adopted Budget \$
Revenue					
Operating Grants, Subsidies, Contributions	1,2	2,701,382	10,672,038	8,768,709	6,849,231
Fees and Charges		7,691,734	7,213,151	7,657,339	7,645,304
Service Charges		0	0	0	0
Interest Earnings		395,557	439,515	399,833	406,500
Profit on Sale of Assets		128,443	11,860	0	210,891
Other Revenue		225,876	295,389	293,700	195,600
		11,142,991	18,631,953	17,119,581	15,307,526
Expenses					
Employee Costs	1,2	(10,462,339)	(10,059,982)	(10,567,563)	(10,472,574)
Materials and Contracts		(5,677,798)	(8,298,861)	(9,737,136)	(7,838,713)
Utility Charges		(1,216,206)	(1,072,018)	(1,139,630)	(1,110,458)
Depreciation on Non-Current Assets		(5,765,188)	(5,284,756)	(5,818,820)	(6,036,820)
Interest Expenses		(275,230)	(252,359)	(323,675)	(375,149)
Insurance Expenses		(596,424)	(632,797)	(633,582)	(638,882)
Loss on Sale of Assets		(88,232)	(401,309)	(451,621)	0
Other Expenditure		(770,007)	(720,031)	(753,761)	(752,583)
		(24,851,424)	(26,722,113)	(29,425,788)	(27,225,179)
Adjustments for Cash Budget Requirements:					
Non-Cash Expenditure and Revenue					
(Profit)/Loss on Asset Disposals	4	(40,211)	389,448	451,621	(210,891)
Movement in Accruals and Provisions		0	0	5,000	5,000
Depreciation on Assets	2(a)	5,765,188	5,284,756	5,818,820	6,036,820
		5,724,977	5,674,204	6,275,441	5,830,929

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Rate Setting Statement

For the year ended 30 June 2016

	Note	2015/16 Draft Budget \$	2014/15 Actuals \$	2014/15 Revised Budget \$	2014/15 Adopted Budget \$
Capital Expenditure and Revenue					
Purchase Land Held for Resale	3	0	0	0	0
Purchase Land and Buildings	3	(196,630)	(510,323)	(811,560)	(623,000)
Purchase Infrastructure Assets - Roads	3	(5,879,884)	(2,281,432)	(2,452,096)	(2,472,929)
Purchase Infrastructure Assets - Bridges	3	(300,000)	0	(50,000)	(50,000)
Purchase Infrastructure Assets - Footpaths	3	(109,315)	0	(31,000)	(31,000)
Purchase Infrastructure Assets - Drainage	3	(552,970)	(151,509)	(337,138)	(358,358)
Purchase Airport Infrastructure	3	(4,140,784)	(2,264,488)	(847,704)	(885,979)
Purchase Waste Infrastructure	3	(780,368)	(240,294)	(521,306)	(651,556)
Purchase Infrastructure Other	3	(1,515,918)	(133,575)	(343,205)	(337,000)
Purchase Plant and Equipment	3	(1,371,043)	0	(83,462)	(54,962)
Purchase Furniture and Equipment	3	(176,100)	(56,383)	(88,500)	(99,500)
Grants/Contributions for Develop. of Assets		5,621,304	7,723,807	6,783,439	6,491,991
Proceeds from Disposal of Assets	4	363,237	57,204	256,403	394,000
Proceeds from Sale of Land Held for Resale		0	0	0	0
Repayment of Debentures	5	(954,447)	(2,261,456)	(2,350,331)	(2,406,938)
Proceeds from New Debentures	5	0	1,803,218	1,803,218	1,803,218
Transfers to Reserves (Restricted Assets)	6	(6,707,472)	(9,734,244)	(4,488,742)	(4,000,605)
Transfers from Reserves (Restricted Assets)	6	16,576,747	941,111	1,287,637	1,253,687
		(123,643)	(7,108,363)	(2,274,347)	(2,028,931)
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	(1,665,875)	(1,397,052)	(1,397,052)	(1,423,053)
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	178,591	(1,665,875)	(475,630)	(356,592)
Amount Required to be Raised from Rates	8	(9,951,565)	(9,255,495)	(9,226,536)	(9,182,116)

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

I. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

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

Critical Accounting Estimates

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

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

The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 16 to this budget document.

(b) 2014/15 Actual Balances

Balances shown in this budget as 2014/15 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding Off Figures

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

(d) 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.

SHIRE OF WYNDHAM EAST KIMBERLEY**DRAFT BUDGET 2015-16****Notes to and Forming Part of the Budget****For the Year Ended 30 June 2016****I. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(d) Rates, Grants, Donations and Other Contributions (continued)**

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

(e) Goods and Services Tax (GST)

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

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

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

(f) Superannuation

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

(g) Cash and Cash Equivalents

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 7 – Net Current Assets when utilised.

(h) Trade and Other Receivables

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

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

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

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Inventories

General

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

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

Land Held for Resale

Land purchased for development and 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 profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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

(j) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

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

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.

SHIRE OF WYNDHAM EAST KIMBERLEY**DRAFT BUDGET 2015-16****Notes to and Forming Part of the Budget****For the Year Ended 30 June 2016****I. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(j) Fixed Assets (Continued)**

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

In 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

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

Land Under Control

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

Whilst they were initially recorded at cost (being fair value at the date of acquisition (deemed cost) as per AASB 116) these assets were revalued along with other items of Land and Buildings at 30 June 2014 and now form part of Land and Buildings to be subject to regular revaluation as detailed above.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation on the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) 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 Shire 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.

Land Under Roads

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

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

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

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

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

SHIRE OF WYNDHAM EAST KIMBERLEY DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget For the Year Ended 30 June 2016

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount;
- or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

GROUP	CLASS	NUMBER OF YEARS
Roads	Sealed Roads - Formation	Infinite – Not Depreciated
	Sealed Roads - Pavement Under Seal	70
	Sealed Roads -Wearing Course - Chip Seal	25
	Sealed Roads -Wearing Course - Asphalt	40
	Unsealed Roads - Formation	Infinite – Not Depreciated
	Unsealed Roads - Pavement	15
	Kerbs & Channel	50
	Road Furniture and Signs	10
Drainage	Underground Pipes	75
	Retarding Basins	Infinite – Not Depreciated
Airfields	Airfield - Formation	Infinite – Not Depreciated
	Airfield - Pavement under Seal	80
	Airfield - Wearing Course - Chip Seal	25
	Airfield - Wearing Course - Asphalt	40
	Airfield - Lighting	20
	Airfield - Fencing	30
Bridges	Bridges	100
	Culverts	100
Footpaths	Footpath	45

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

GROUP	CLASS	NUMBER OF YEARS
Infrastructure Other	Car Parks - Formation	Infinite – Not Depreciated
	Car Parks - Pavement Under Seal	70
	Car Parks - Wearing Course - Chip Seal	25
	Car Parks - Wearing Course - Asphalt	40
	Jetties & Pontoons	40
	Boat Ramps	50
	Reticulation Systems (Pipes, Pumps, Controllers)	20
	Playground Equipment	10
	Outdoor Furniture	20
	Sporting/Play Area - Minor Structures	10
	Sporting Facilities - Hardcourts/Skate Parks	20
	Sporting Facilities - Fencing	30
	Sporting Facilities - Lighting	20
	Sporting Facilities - Swimming Pools	50
Land and Buildings	Land	Infinite – Not Depreciated
	Landfill Refuse (Land Component Only)	30
	Brick/Concrete Buildings	40
	Transportable Buildings	10
	Steel Construction Buildings	35
	Ancillary Structures to Buildings	10
Furniture and Equipment	Computer Equipment	3
	Office Equipment/Systems	5
	Office Furniture	10
	Kitchen Equipment	5
	Fit-outs	20
Plant and Equipment	Light Plant	3
	Medium Plant	7
	Heavy Plant	10
	Minor Plant	10

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

SHIRE OF WYNDHAM EAST KIMBERLEY**DRAFT BUDGET 2015-16****Notes to and Forming Part of the Budget****For the Year Ended 30 June 2016****I. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(j) Fixed Assets (Continued)**

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

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.

(k) Fair Value of Assets and Liabilities

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

Fair Value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

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

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

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured.

The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

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

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the *Local Government (Financial Management) Regulations* requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(l) Financial Instruments

Initial Recognition and Measurement

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

Amortised cost is calculated as:

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

SHIRE OF WYNDHAM EAST KIMBERLEY
DRAFT BUDGET 2015-16
Notes to and Forming Part of the Budget
For the Year Ended 30 June 2016

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (continued)

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

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

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Shire'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.

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

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

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

(m) Impairment of Assets

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

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

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

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

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2016.

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

SHIRE OF WYNDHAM EAST KIMBERLEY**DRAFT BUDGET 2015-16****Notes to and Forming Part of the Budget****For the Year Ended 30 June 2016****I. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(n) Trade and Other Payables**

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

(o) Employee Benefits**Short-Term Employee Benefits**

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits

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

SHIRE OF WYNDHAM EAST KIMBERLEY
DRAFT BUDGET 2015-16
Notes to and Forming Part of the Budget
For the Year Ended 30 June 2016

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Employee Benefits (Continued)

Other Long-Term Employee Benefits

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(p) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

(q) Provisions

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

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

(r) Leases

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

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

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

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

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

SHIRE OF WYNDHAM EAST KIMBERLEY**DRAFT BUDGET 2015-16****Notes to and Forming Part of the Budget****For the Year Ended 30 June 2016****I. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(s) Investments in Associates**

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the budget/financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the investment is acquired.

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

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(t) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. The Shire does not have any interests in joint arrangements for 2015/16.

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Current and Non-Current Classification

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

(v) Comparative Figures

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

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

(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 Shire.

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

	Title	Issued	Applicable (*)	Impact
(i)	AASB 9 – Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the standard will have any material effect.

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

	Title	Issued	Applicable (*)	Impact
(ii)	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]	September 2012	1 January 2018	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Shire (refer (i) above).
(iii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.</p>
(iv)	AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative date: Part C Financial Instruments – 1 January 2015]	December 2013	Refer title column	<p>Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.</p> <p>As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.</p>

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

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

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

	Title	Issued	Applicable (*)	Impact
(vi)	AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.
(vii)	AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15. It will require changes to reflect the impact of AASB 15.

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

	Title	Issued	Applicable (*)	Impact
(viii)	AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures.</p>
(ix)	AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	<p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.</p> <p>It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.</p>

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

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

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

(y) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

AASB 2011-7
AASB 2012-3
AASB 2013-3
AASB 2013-8
AASB 2013-9 Parts A & B

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

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

2. OPERATING REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

Vision

For the East Kimberley to be a thriving community with opportunities for all.

Mission

To enable the East Kimberley to develop in a manner that will achieve social, cultural, economic and environmental benefits for all.

Commitment

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

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

Council operations as disclosed in this budget encompass the following service orientated activities/programs:

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

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

2. OPERATING REVENUES AND EXPENSES (Continued)

(b) Statement of Objectives (Continued)

HOUSING

Objective:

To provide and maintain staff and residential housing.

Activities:

Provision of staff and residential housing.

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

RECREATION AND CULTURE

Objective:

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

Activities:

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

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets, traffic lights, depot maintenance, and the provision and operation of airport services.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY & SERVICES

Objective:

To monitor and control council's overheads operating accounts.

Activities:

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

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

	2015/16	2014/15	2014/15
	Draft	Actual	Revised
3. ACQUISITION OF ASSETS	Budget	Budget	Budget
	\$	\$	\$
The following assets are budgeted to be acquired during the year:			
By Program			
Governance	-	-	5,000
General Purpose Funding	-	-	-
Law, Order, Public Safety	23,830	468,755	531,000
Health	-	-	-
Education and Welfare	32,800	-	13,000
Housing	-	-	12,560
Community Amenities	320,818	240,294	471,756
Recreation and Culture	1,357,468	146,320	399,755
Transport	11,600,953	4,697,428	3,717,938
Economic Services	-	-	-
Other Property and Services	1,687,143	85,206	414,962
	<u>15,023,012</u>	<u>5,638,002</u>	<u>5,565,971</u>
By Class			
Land held for resale	-	-	-
Land and Buildings	196,630	510,323	811,560
Infrastructure Assets - Roads	5,879,884	2,281,432	2,452,096
Infrastructure Assets - Bridges	300,000	-	50,000
Infrastructure Assets - Footpaths	109,315	-	31,000
Infrastructure Assets - Drainage	552,970	151,509	337,138
Airport Infrastructure	4,140,784	2,264,488	847,704
Waste Infrastructure	780,368	240,294	521,306
Infrastructure Assets - Other	1,515,918	133,575	343,205
Plant & Equipment	1,371,043	-	83,462
Furniture & Equipment	176,100	56,383	88,500
	<u>15,023,012</u>	<u>5,638,002</u>	<u>5,565,971</u>

To obtain further details of Asset Acquisitions refer to attachment

- Capital Expenditure - 2015/16 Budget

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

4. DISPOSALS OF ASSETS

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

By Program

	Net Book Value	Sale Proceeds	** Profit(Loss)
	2015/16	2015/16	2015/16
	Budget	Budget	Budget
	\$	\$	\$
Housing			
No activity	-	-	-
Other Property and Services			
Light Plant			
P478 - WY13923 - Dual Cab 4WD Ute	17,431	13,990	(3,441)
P379 - WY14616 - Dual Cab 4WD Ute	14,111	13,990	(121)
P211 - WY12647 - Dual Cab 2WD Ute	5,115	7,400	2,285
PI13 - WY01 - Wagon 4WD	25,179	28,600	3,421
PI22 - WY25609 - Extra Cab 4WD Ute	16,601	13,990	(2,611)
P490 - WY14982 - Toyota Hilux	13,835	12,200	(1,635)
Medium Plant			
P491 - WY25065 - Ride On Mower	16,000	6,090	(9,910)
P333 - WY12280 - 75HP Tractor		26,857	26,857
P313 - 70HP Kubota Tractor	13,945	16,500	2,555
P401 - Slasher	-	2,135	2,135
P383 - Silvan Shireboss 6" Slasher	7,678	3,063	(4,615)
P319 - ITBZ906 - Tilt Trailer	-	1,100	1,100
Heavy Plant			
P331 - ICGF957 - 3 Tonne Tip Truck	16,734	20,347	3,613
P367 - IDBW601 - 3 Tonne Tip Truck	26,562	19,573	(6,989)
P309 - WY11160 - 10 Ton Tip Truck	28,050	92,044	63,994
P372 - WY13511 - 9 Tonne Truck	69,054	24,725	(44,329)
P354 - ICWM013 - Backhoe	18,150	40,633	22,483
Airport Plant			
P482 - IDIK678 - Hino Truck	34,580	20,000	(14,580)
	323,026	363,237	40,211

By Class

	Net Book Value	Sale Proceeds	** Profit(Loss)
	2015/16	2015/16	2015/16
	Budget	Budget	Budget
	\$	\$	\$
Plant and Equipment	323,026	363,237	40,211
	323,026	363,237	40,211

Summary

	2015/16
	Budget
	\$
Profit on Asset Disposals	128,443
Loss on Asset Disposals	(88,232)
	40,211

SHIRE OF WYNDHAM EAST KIMBERLEY
DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget
 For the Year Ended 30 June 2016

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

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

Particulars	Loan No	Interest Rate	Maturity Date	Principal 1-Jul-15	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
						2015/16 Budget \$	2014/15 Actual \$	2015/16 Budget \$	2014/15 Actual \$	2015/16 Budget \$	2014/15 Actual \$
Governance											
Administration Building Land	L122	6.00%	25-Jun-20	280,948		46,894	231,199	280,948	15,983	18,935	
Administration Building Bridging Loan	L123	3.26%	7-Dec-14	-	1,500,000	-	-	-	0	21,985	
Administration Building Loan	L124	3.82%	7-Dec-22	1,960,703	230,415	221,859	1,730,288	1,960,703	72,169	77,184	
New Loan - Administration Building	L129	3.01%	8-Jan-25	1,500,000	130,648	-	1,369,352	1,500,000	42,311	-	
Education & Welfare											
Kununurra Childcare Centre	L120	6.19%	1-Sep-19	297,504	59,245	55,742	238,259	297,504	16,331	14,213	
Housing											
Staff Housing	L115	6.04%	28-Aug-18	51,184	13,536	12,742	37,648	51,184	2,660	2,410	
Community Amenities											
Liquid Waste Facility	L125	3.40%	16-May-18	304,999	98,258	95,001	206,741	304,999	9,145	11,315	
Waste Management	L126	4.21%	16-May-24	1,555,478	145,457	139,522	1,410,021	1,555,478	63,243	61,861	
Staff Housing	L127	3.71%	16-May-20	75,070	13,930	13,428	61,140	75,070	2,595	2,796	
Drainage	L128	4.21%	16-May-24	114,711	10,727	10,289	103,984	114,711	4,663	4,562	
New Loan - Building & Infrastructure Loan	L130	3.32%	9-Jun-25	303,218	26,030	-	277,188	303,218	9,803	-	
Recreation & Culture											
KNX Aquatic Centre Refurbishment	L113	6.04%	28-Aug-18	285,993	75,633	71,195	210,360	285,993	14,864	13,464	
WYN Recreation Centre	L114	6.04%	28-Aug-18	119,964	31,725	29,864	88,238	119,964	6,558	5,648	
KNW Youth Centre	L118	7.24%	30-Jun-18	94,556	29,287	27,258	65,269	94,556	6,061	8,209	
Multi Purpose Courts	L119	5.61%	8-May-19	173,332	39,806	37,663	133,526	173,332	8,846	9,776	
Total				7,117,661	954,447	2,261,456	6,163,214	7,117,661	275,230	252,359	

SHIRE OF WYNDHAM EAST KIMBERLEY
DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget
 For the Year Ended 30 June 2016

5. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2015/16

The Shire of Wyndham East Kimberley is not intending to enter into any new borrowings for 2015/16.

(c) Unspent Debentures

The Shire of Wyndham East Kimberley has unspent debenture fund as follows:

Particulars/Purpose	Unspent as at		Used 30 June 16 Budget
	30 June 16 Budget	30 June 15 Actual	
Loan 125 - Liquid Waste Facility	44,360	120,360	76,000
Loan 128 - Drainage MUN	51,189	51,189	-
Loan 126 - Waste Management MUN	650	586,844	586,194
Loan 124 - Administration Building Loan	83,761	107,591	23,830
Loan 130 - Administration Infrastructure Loan	12,667	153,707	141,040
Total	192,627	1,019,691	827,064

(d) Overdraft

Council approved an overdraft facility with a limit of \$2.5 million at the Special Council Meeting in August 2014, Minute #10503 in order to cover the expenditure associated with the flood event in February 2014 until such time as the WANDRAA reimbursements are received, also noting that the overdraft will be an ongoing facility and incorporated into the annual budget for adoption.

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

	2015/16 Draft Budget \$	2014/15 Actual \$	2014/15 Revised Budget \$
6. RESERVES			
(a) Waste Management			
Opening Balance	474,671	179,151	179,151
Amount Set Aside / Transfer to Reserve	283,250	530,043	218,027
Amount Used / Transfer from Reserve	(361,889)	(234,523)	(202,023)
	<u>396,032</u>	<u>474,671</u>	<u>195,155</u>
(b) Airport General			
Opening Balance	7,609,648	6,373,410	6,373,410
Amount Set Aside / Transfer to Reserve	2,777,876	1,891,876	925,087
Amount Used / Transfer from Reserve	(5,625,506)	(655,637)	(682,354)
	<u>4,762,018</u>	<u>7,609,648</u>	<u>6,616,143</u>
(c) Plant and Equipment			
Opening Balance	2,844	2,761	2,761
Amount Set Aside / Transfer to Reserve	68	83	74
Amount Used / Transfer from Reserve	-	-	\$0.00
	<u>2,912</u>	<u>2,844</u>	<u>2,835</u>
(d) Parking			
Opening Balance	115,608	112,247	112,247
Amount Set Aside / Transfer to Reserve	2,779	3,361	3,015.60
Amount Used / Transfer from Reserve	-	-	-
	<u>118,387</u>	<u>115,608</u>	<u>115,263</u>
(e) Non-Potable Water			
Opening Balance	91,902	89,230	89,230
Amount Set Aside / Transfer to Reserve	2,209	2,672	2,397
Amount Used / Transfer from Reserve	0	-	(41,550)
	<u>94,111</u>	<u>91,902</u>	<u>50,077</u>
(f) Civic Buildings			
Opening Balance	-	7,609	7,609
Amount Set Aside / Transfer to Reserve	-	228	204
Amount Used / Transfer from Reserve	-	(7,837)	(7,813)
	<u>-</u>	<u>-</u>	<u>0</u>
(g) East Kimberley Tourism			
Opening Balance	136,129	127,431	127,431
Amount Set Aside / Transfer to Reserve	13,273	13,816	13,423
Amount Used / Transfer from Reserve	(10,000)	(5,118)	(9,368)
	<u>139,402</u>	<u>136,129</u>	<u>131,486</u>

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

	2015/16 Draft Budget \$	2014/15 Actual \$	2014/15 Revised Budget \$
6. RESERVES (Continued)			
(h) Foreshore			
Opening Balance	200,643	121,875	121,875
Amount Set Aside / Transfer to Reserve	102,324	81,752	85,274
Amount Used / Transfer from Reserve	(45,000)	(2,984)	0
	<u>257,967</u>	<u>200,643</u>	<u>207,149</u>
(i) Staff Entitlement			
Opening Balance	230,639	223,934	223,934
Amount Set Aside / Transfer to Reserve	5,545	6,705	6,016
Amount Used / Transfer from Reserve	-	-	-
	<u>236,184</u>	<u>230,639</u>	<u>229,950</u>
(j) Recreation Hardcourts			
Opening Balance	53,550	26,000	26,000
Amount Set Aside / Transfer to Reserve	1,281	32,095	699
Amount Used / Transfer from Reserve	-	(4,545)	(5,000)
	<u>54,831</u>	<u>53,550</u>	<u>21,699</u>
(k) Bio Security			
Opening Balance	268,381	267,364	267,364
Amount Set Aside / Transfer to Reserve	6,452	8,005	7,183
Amount Used / Transfer from Reserve	-	(6,988)	(10,000)
	<u>274,833</u>	<u>268,381</u>	<u>264,547</u>
(l) Childcare			
Opening Balance	147,363	132,688	132,688
Amount Set Aside / Transfer to Reserve	15,043	14,675	14,265
Amount Used / Transfer from Reserve	(28,937)	-	-
	<u>133,469</u>	<u>147,363</u>	<u>146,953</u>
(m) Parks			
Opening Balance	316,709	307,502	307,502
Amount Set Aside / Transfer to Reserve	7,614	9,207	8,261
Amount Used / Transfer from Reserve	(200,000)	-	-
	<u>124,323</u>	<u>316,709</u>	<u>315,763</u>
(n) Legal Fees			
Opening Balance	-	3,514	3,514
Amount Set Aside / Transfer to Reserve	-	105	94
Amount Used / Transfer from Reserve	-	(3,619)	(3,608)
	<u>-</u>	<u>-</u>	<u>0</u>

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

	2015/16 Draft Budget \$	2014/15 Actual \$	2014/15 Revised Budget \$
6. RESERVES (Continued)			
(o) Youth Bus			
Opening Balance	-	19,186	19,186
Amount Set Aside / Transfer to Reserve	-	674	515
Amount Used / Transfer from Reserve	-	(19,860)	(19,701)
	-	-	0
(p) Footpaths			
Opening Balance	277,520	269,452	269,452
Amount Set Aside / Transfer to Reserve	6,672	8,068	7,239
Amount Used / Transfer from Reserve	(78,315)	-	(31,000)
	205,877	277,520	245,691
(q) Asset Management			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	23,148	-	306,267
Amount Used / Transfer from Reserve	-	-	(275,220)
	23,148	-	31,047
(r) Goomig Farmlands Roads Reserve			
Opening Balance	2,888,815	-	-
Amount Set Aside / Transfer to Reserve	18,299	2,888,815	2,890,700
Amount Used / Transfer from Reserve	(2,889,313)	-	-
	17,801	2,888,815	2,890,700
(s) Unspent Grants and Loans Reserve			
Opening Balance	4,242,065	-	-
Amount Set Aside / Transfer to Reserve	3,437,444	4,242,065	-
Amount Used / Transfer from Reserve	(7,333,591)	-	-
	345,918	4,242,065	-
(t) Contiguous Local Authority Group (CLAG)			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	4,196	-	-
Amount Used / Transfer from Reserve	(4,196)	-	-
	-	-	-
(u) Kununurra Youth Hub			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
	-	-	-
Total Reserves	7,187,213	17,056,487	11,464,459

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget
For the Year Ended 30 June 2016

	2015/16	2014/15	2014/15
	Draft	Actual	Revised Budget
6. RESERVES (Continued)	Budget		
Transfers to Reserves			
Waste Management	283,250	530,043	218,027
Airport	2,777,876	1,891,876	925,087
Plant and Equipment	68	83	74
Parking	2,779	3,361	3,016
Non-Portable Water	2,209	2,672	2,397
Civic Buildings	-	228	204
East Kimberley Tourism	13,273	13,816	13,423
Foreshore	102,324	81,752	85,274
Staff Entitlement	5,545	6,705	6,016
Recreation Hardcourts	1,281	32,095	699
Bio Security	6,452	8,005	7,183
Childcare	15,043	14,675	14,265
Parks	7,614	9,207	8,261
Legal Fees	-	105	94
Youth Bus	-	674	515
Footpaths	6,672	8,068	7,239
Asset Management	23,148	-	306,267
Goomig Farmlands Roads	18,299	2,888,815	2,890,700
Unspent Grants and Loans	3,437,444	4,242,065	-
Contiguous Local Authority Group (CLAG)	4,196	-	-
Kununurra Youth Hub	-	-	-
	<u>6,707,472</u>	<u>9,734,244</u>	<u>4,488,742</u>
Transfers from Reserves			
Waste Management	(361,889)	(234,523)	(202,023)
Airport	(5,625,506)	(655,637)	(682,354)
Plant and Equipment	-	-	-
Parking	-	-	-
Non-Portable Water	-	-	(41,550)
Civic Buildings	-	(7,837)	(7,813)
East Kimberley Tourism	(10,000)	(5,118)	(9,368)
Foreshore	(45,000)	(2,984)	-
Staff Entitlement	-	-	-
Recreation Hardcourts	-	(4,545)	(5,000)
Bio Security	-	(6,988)	10,000.00
Childcare	(28,937)	-	-
Parks	(200,000)	-	-
Legal Fees	-	(3,619)	(3,608)
Youth Bus	-	(19,860)	(19,701)
Footpaths	(78,315)	-	(31,000)
Asset Management	-	-	(275,220)
Goomig Farmlands Roads	(2,889,313)	-	-
Unspent Grants and Loans	(7,333,591)	-	-
Contiguous Local Authority Group (CLAG)	(4,196)	-	-
Kununurra Youth Hub	-	-	-
	<u>(16,576,747)</u>	<u>(941,111)</u>	<u>(1,287,637)</u>
Total Transfer to/(from) Reserves	<u>(9,869,274)</u>	<u>8,793,133</u>	<u>3,201,105</u>

SHIRE OF WYNDHAM EAST KIMBERLEY
DRAFT BUDGET 2015-16
Notes to and Forming Part of the Budget
For the Year Ended 30 June 2016

6. RESERVES (Continued)

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.

Asset Management

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

Goornig Farmlands Roads Reserve

To provide for the second coat seal of roads within the Goornig Farmlands.

Unspent Grants and Loans Reserve

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

Contiguous Local Authority Group (CLAG) Reserve

To hold funds received to be used for the ongoing management, funding and technical aspects of health-driven mosquito control in an effort to reduce the risk of mosquito-borne diseases within the boundaries of the Shire of Wyndham East Kimberley.

Kununurra Youth Hub Reserve

To hold lease payments from Kununurra Youth Hub to provide for the maintenance, renewal and upgrade of the building in accordance with the lease conditions.

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget For the Year Ended 30 June 2016

	2015/16 Draft Budget \$	2014/15 Actual \$	2014/15 Revised Budget \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	1,262,847	(68,952)	1,579,164
Cash - Restricted	7,187,213	17,056,487	11,464,459
Cash - Restricted Unspent Grants and Loans	-	-	-
Receivables	1,624,442	1,340,538	1,727,680
Inventories	17,214	17,214	16,651
	<u>10,091,716</u>	<u>18,345,287</u>	<u>14,787,954</u>
LESS: CURRENT LIABILITIES			
Payables and Provisions	<u>(2,725,913)</u>	<u>(2,954,675)</u>	<u>(3,799,125)</u>
NET CURRENT ASSET POSITION	7,365,803	15,390,612	10,988,829
Less: Cash - Restricted	<u>(7,187,213)</u>	<u>(17,056,487)</u>	<u>(11,464,459)</u>
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD	<u>178,591</u>	<u>(1,665,875)</u>	<u>(475,630)</u>

The estimated surplus/(deficiency) c/fwd in the 2014/15 actual column represents the surplus (deficit) brought forward as at 1 July 2015.

The estimated surplus/(deficiency) c/fwd in the 2015/16 budget column represents the surplus (deficit) carried forward as at 30 June 2016.

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

8. RATING INFORMATION - 2015/16 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Budgeted Rate Revenue \$	Budgeted Interim Rates \$	Budgeted Back Rates \$	Budgeted Total Revenue \$	2014/15 Actual \$
Differential General Rate								
GRV - Residential	9.2992	1,607	47,123,544	4,382,113	0	0	4,382,113	4,148,149
GRV - Other Vacant	13.9488	32	552,700	77,095	0	0	77,095	74,196
GRV - Commercial	12.0890	157	14,662,457	1,772,539	0	0	1,772,539	1,433,054
GRV - Industrial	11.1590	167	8,722,625	973,361	0	0	973,361	854,761
UV - Rural Residential	0.9795	185	51,149,000	501,004	0	0	501,004	477,476
UV - Pastoral	5.3057	23	6,170,800	327,404	0	0	327,404	431,811
UV - Commercial/Industrial	0.6719	36	13,355,840	89,738	0	0	89,738	87,872
UV - Rural Agriculture 1	0.9502	78	75,060,309	713,223	0	0	713,223	605,923
UV - Rural Agriculture 2	0.6719	109	57,360,000	385,402	0	0	385,402	359,957
UV - Mining	27.5246	37	1,594,199	438,797	0	0	438,797	542,620
UV - Mining Vacant	13.7623	20	458,670	63,124	0	0	63,124	0
UV - Other	0.6302	2	526,000	3,315	0	0	3,315	3,159
Sub-Totals		2,453	276,736,144	9,727,114	0	0	9,727,114	9,018,977
Minimum Rates	Minimum \$							
GRV - Residential	1,085.00	45	372,070	48,825	0	0	48,825	42,394
GRV - Other Vacant	1,085.00	112	440,980	121,520	0	0	121,520	108,570
GRV - Commercial	1,085.00	17	83,325	18,445	0	0	18,445	50,666
GRV - Industrial	1,085.00	7	30,875	7,595	0	0	7,595	8,272
UV - Rural Residential	1,085.00	0	0	0	0	0	0	0
UV - Pastoral	1,085.00	1	17,471	1,085	0	0	1,085	2,068
UV - Commercial/Industrial	1,085.00	10	574,200	10,850	0	0	10,850	7,238
UV - Rural Agriculture 1	1,085.00	2	50,000	2,170	0	0	2,170	2,068
UV - Rural Agriculture 2	1,085.00	0	0	0	0	0	0	0
UV - Mining	1,085.00	31	42,998	33,635	0	0	33,635	53,950
UV - Mining Vacant	543.00	41	59,681	22,263	0	0	22,263	0
UV - Other	1,085.00	0	0	0	0	0	0	1,034
Sub-Totals		266	1,671,600	266,388	0	0	266,388	276,260
Ex Gratia Rates							9,993,502	9,295,237
Concessions							4,880	4,651
Discount							9,998,382	9,299,888
Totals							(46,817)	(44,392)
							9,951,565	9,255,496

DRAFT BUDGET 2015-16

**Notes to and Forming Part of the Budget
For the Year Ended 30 June 2016**

8 (a) RATING INFORMATION (Continued) - 2015/16 FINANCIAL YEAR

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

The general rates detailed above for the 2015/16 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum payments have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services and facilities.

OBJECTIVES OF AND REASONS FOR DIFFERENTIAL RATING

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

Differential General Rate

Description	Characteristics	Objects Of	Reasons For
GRV - Residential	GRV valued land within the town site which is used primarily for residential purposes with the exception of Transient Accommodation, and as outlined in Appendix A of the <i>Strategic Rating Policy</i> .	This rate is to contribute to the service desired by the community.	The GRV differential rate for Residential will be the "base rate" from which all other differential rates that hold a GRV value will be calculated, recognising a 4.93% increase from 2013/14.
GRV - Other Vacant	GRV valued land within the town site which is deemed to be vacant land (unimproved land).	To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of the Council.	A higher rate is imposed as there is a different method used for the valuation of vacant land. It is also to signify that the Council prefers land to be developed. The encouragement of development is strategically important as it has a positive effect on local employment, economic diversity and further community returns from investment in the region.
GRV - Commercial	GRV valued land which is used primarily for commercial purposes, and may include land uses such as caravan parks, fast food outlets, hotels, restaurants, boarding houses or veterinary consulting rooms as outlined in Appendix A of the <i>Strategic Rating Policy</i> .	To raise additional revenue to contribute towards higher costs associated with commercial activity.	The commercial sector generates high pedestrian and traffic volumes resulting in a greater impact on the provision of services, facilities and infrastructure, and is also considered to have a greater capacity to pay through rates generally being tax deductible. This sector should therefore contribute a greater share of the costs associated with economic development and marketing programs which assist and facilitate economic growth in the region; road construction; maintenance and refurbishment including road drainage systems; roadside sweeping; landscaping; verge maintenance and street lighting.

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

8 (a) RATING INFORMATION (Continued) - 2015/16 FINANCIAL YEAR

Differential General Rate

Description	Characteristics	Objects Of	Reasons For
GRV - Industrial	GRV valued land which is used primarily for industrial purposes and as outlined in Appendix A of the <i>Strategic Rating Policy</i> .	To raise additional revenue to contribute towards higher costs associated with industrial activity.	This sector generates high traffic volumes with heavy loads and is considered to have a greater capacity to pay through rates generally being tax deductible. This sector should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems.
UV - Rural Residential	UV valued land located outside the gazetted town site that is zoned Rural Living, Rural Smallholding and Special Rural which is used primarily for or capable of being used primarily for rural residential purposes. Rural residential has the same meaning as the objectives of TPS7 and TPS6 for these Zones.	This rate is to contribute to the service desired by the community.	This is intended as a transitional rating differential category while the Shire work through a process to have these properties provided with a gross rental value instead of an unimproved value given the primary purpose is residential. The average rates payable for each property will be similar to the average rates payable for GRV Residential properties, recognising the transition to a GRV value.
UV - Pastoral	UV valued land located outside the gazetted town site which is used or capable of use primarily for pastoral purposes. Properties such as these have the characteristics of a commercial operation in an undeveloped and sparsely populated area. Pastoral purposes have the same meaning as defined in the <i>Land Administration Act 1997</i> .	To raise additional revenue to contribute towards higher costs associated with pastoral activity.	Due to the valuation being based generally on a lease value, the result is a low valuation over an extensive land area. The sector generates high traffic volumes with heavy loads and has the highest impact on the road infrastructure in particular. While it is considered to have a greater capacity to pay through rates generally being tax deductible, the higher impact on infrastructure that this sector should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment.

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget
For the Year Ended 30 June 2016

8 (a) RATING INFORMATION (Continued) - 2015/16 FINANCIAL YEAR

Differential General Rate

Description	Characteristics	Objects Of	Reasons For
UV - Commercial/Industrial	UV valued land located outside the gazetted town site that is used primarily for, or capable of being used primarily for commercial, industrial and/or tourism purposes.	To raise additional revenue to contribute towards higher costs associated with commercial/industrial activity.	This sector generates high traffic volumes, and is considered to have a greater capacity to pay through rates generally being tax deductible. This sector should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems and other infrastructure required, along with other costs associated with marketing and economic development. It should be noted that this is intended as a transitional rating differential category while the Shire work through a process to have these properties provided with a gross rental value instead of an unimproved value given the primary purpose is commercial, industrial and/or tourism and the land owners should have been contributing more equitably to these costs
UV - Rural Agriculture 1	UV valued land located outside the gazetted town site which is zoned Rural Agriculture 1 or General Rural which is used or capable of being used primarily for extensive agriculture, agroforestry and/or horticulture purposes.	To raise additional revenue to contribute towards higher costs associated with activity in the Rural Agriculture 1 Zone.	It is recognised that this sector has a greater impact on the road infrastructure with the heavy loads that it generates, and also that it has a greater capacity to pay through rates generally being tax deductible. This sector should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems and other infrastructure required.
UV - Rural Agriculture 2	UV valued land located outside the gazetted town site which is zoned Rural Agriculture 2, which is used primarily for, or is capable of use primarily for intensive agriculture and/or horticulture purposes.	To raise additional revenue to contribute towards higher costs associated with activity in the Rural Agriculture 2 Zone.	This sector does have a high impact on infrastructure, but not to the extent of those properties zoned Rural Agriculture 1. Properties within the Rural Agriculture 2 zone are also considered to have a greater capacity to pay through rates generally being tax deductible and should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems and other infrastructure required. Along with the lesser impact on infrastructure, the sizes of the lots within the Rural Agriculture 2 zone are generally not as large as those within the Rural Agriculture 1 zone, therefore it is recognised that the capacity to pay is slightly lower for those in the Rural Agriculture 2 zone.

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

8 (a) RATING INFORMATION (Continued) - 2015/16 FINANCIAL YEAR

Differential General Rate

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

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget
For the Year Ended 30 June 2016

8 (a) RATING INFORMATION (Continued) - 2015/16 FINANCIAL YEAR

Differential Minimum Payment

Description	Characteristics	Objects Of	Reasons For
General Minimum	UV valued land located outside the gazetted town site that is zoned Rural Living, Rural Smallholding and Special Rural which is used primarily for or capable of being used primarily for rural residential purposes. Rural residential has the same meaning as the objectives of TPS7 and TPS6 for these Zones.	To ensure that all property owners contribute a minimum amount for the provision of services, facilities and infrastructure regardless of property value.	The minimum payment impacts mainly in the residential category and is imposed as there is a different method used for the valuation of vacant land. It is also to signify that the Council prefers land to be developed. The encouragement of development is strategically important as it has a positive effect on local employment, economic diversity and further community returns from investment in the region.
UV Mining Vacant	UV valued land located outside the gazetted town site that is zoned Rural Living, Rural Smallholding and Special Rural which is used primarily for or capable of being used primarily for rural residential purposes. Rural residential has the same meaning as the objectives of TPS7 and TPS6 for these Zones.	To ensure that all property owners contribute a minimum amount for the provision of services, facilities and infrastructure regardless of property value.	Exploration and prospecting licences are considered to have a minimal impact on the cost of providing services, facilities and infrastructure across the Shire and could be considered to be vacant land and only when minerals are discovered is it anticipated that the property holder would seek to convert the property into a mining lease. In order to ensure that there is some equity in the application of the minimum payment to these licences, a 50% reduction in comparison to the UV Mining rate in the dollar has been applied.

SHIRE OF WYNDHAM EAST KIMBERLEY
DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget
 For the Year Ended 30 June 2016

8 (a) RATING INFORMATION (Continued) - 2015/16 FINANCIAL YEAR

Differential General Rates and Minimum Payments

A Public Notice pursuant to Section 6.36(1) of the Local Government Act 1995 was published in the Kimberley Echo on 21 May 2015.

Submissions from electors and ratepayers were invited up to 4.00pm on 12 June 2015.

After consideration of the public submissions received, the "base" rate in the dollar was reduced by 1.97% down to 4.93%. Each rating category was afforded the same reduction to ensure equity is maintained. The adopted increase of the base rate at 4.93% is consistent with the increase that Council adopted for the 2015/16 fees and charges, and reflected the funding required to undertake the Council's priorities in alignment with the Strategic Community Plan for 2015/16.

Differential Rate Category	Details Set Forth in Public Notice	
	Cents in the dollar	Min Payment \$
GRV - Residential	9.4738	1,105
GRV - Other Vacant	14.2107	1,105
GRV - Commercial	12.3159	1,105
GRV - Industrial	11.3686	1,105
UV - Rural Residential	0.9979	1,105
UV - Pastoral	5.3637	1,105
UV - Commercial/Industrial	0.6843	1,105
UV - Rural Agriculture 1	0.9677	1,105
UV - Rural Agriculture 2	0.6843	1,105
UV - Mining	28.0312	1,105
UV - Mining Vacant	14.0156	553
UV - Other	0.6420	1,105

Adopted Rate or Payment	
Cents in the dollar	Min Payment \$
9.2992	1,085
13.9488	1,085
12.0890	1,085
11.1590	1,085
0.9795	1,085
5.3057	1,085
0.6719	1,085
0.9502	1,085
0.6719	1,085
27.5246	1,085
13.7623	543
0.6302	1,085

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

9. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR

The Shire of Wyndham East Kimberley does not propose to impose specific area rates for the 2015/16 financial year.

10. SERVICE CHARGES - 2015/16 FINANCIAL YEAR

The Shire of Wyndham East Kimberley does not propose to impose a service charge on any of the prescribed services listed listed under *Local Government (Financial Management) Regulations 1996* , Regulation 54.

11. FEES & CHARGES REVENUE

	2015/16	2014/15
	Draft	Actual
	Budget	
	\$	\$
Governance	-	4,257
General Purpose Funding	385,910	364,198
Law, Order And Public Safety	32,863	31,616
Health	84,116	69,215
Education and Welfare	11,500	64,726
Housing	121,590	190,416
Community Amenities	2,443,148	2,339,944
Recreation And Culture	594,313	575,767
Transport	3,929,445	3,493,502
Economic Services	88,849	79,510
Other Property & Services	-	-
	<u>7,691,734</u>	<u>7,213,151</u>

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

12. RATE PAYMENT DISCOUNTS, WAIVERS & CONCESSIONS - 2015/16 FINANCIAL YEAR

The Shire of Wyndham East Kimberley is not providing a discount for early payment of rates for 2015/16.

Council has granted the following rates concessions and waivers of waste management charges for 2015/16 in accordance with discretionary powers provided by section 6.47 of the *Local Government Act 1985*.

Assessment		Rates	WMC	
Number	Address	Concession	Waiver	Total
		\$	\$	\$
A502	Wyndham Picture Gardens	1,948.74	200.00	2,148.74
A4993	Lake Kununurra Golf Club	8,822.80	200.00	9,022.80
A7561	Ord River Sailing Club	2,048.15	200.00	2,248.15
A2589	Kununurra Race Club	3,151.00	200.00	3,351.00
A5616	Kununurra Motocross Club	1,682.63	200.00	1,882.63
A1072	Kununurra Progress Association	20,067.67	200.00	20,267.67
A2866	Ord River Pistol Club	2,067.06	200.00	2,267.06
A5621	Kununurra Speedway	1,657.43	200.00	1,857.43
A7566	Kununurra Ski Club	1,884.30	200.00	2,084.30
A7620	Kununurra Agricultural Society	3,487.66	200.00	3,687.66
		46,817.44	2,000.00	48,817.44

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

13. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR

An interest rate of 9.0% will be charged on all rate payments which are overdue. It is estimated this will generate income of \$62,688.

Payment Options

The Shire of Wyndham East Kimberley offers a number of options for the timing of rates payments, and a number of mechanisms by which payments can be made including Bpay, direct deposit, telephone for credit card payments, and at both the Kununurra and Wyndham Administration Offices.

Four separate options are available to ratepayers for payment of their rates:

Option 1 - Full Payment

Full amount of rates and charges including arrears are due and payable on 16 October 2015 or 35 days after the date of service appearing on the rate notice whichever is the later.

Option 2 - Payment by Two (2) Instalments

This option allows ratepayers to pay their rates and charges in two equal instalments across the course of the financial year. Instalment reminder notices are issued a minimum of 35 days prior to the instalment due dates.

First Instalment

The first instalment is to be received on or before 16 October 2015 or 35 days after the date of service appearing on the rate notice whichever is later and include all arrears and one half of the current rates and service charges.

Second instalment

The second instalment to be made on 19 February 2016 or four months and 35 days from service of rates notice whichever is later.

Option 3 - Payment by Four (4) Instalments

The first instalment to be received on or before 16 October 2015 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and one quarter of the current rates and service charges. The second, third and fourth instalments are to be made on 18 December 2015, 19 February 2016 and 22 April 2016 or at two month intervals whichever is later.

Instalment interest is charged at a rate of 5.5% p.a. calculated from the date the first instalment is due, along with an administration fee of \$11.30 for each instalment notice (i.e. \$33.90 for Option 3).

The revenue from the imposition of the interest and administration charge under this option is estimated at \$41,151 and is dissected as follows:

	2015/16 Budget \$
Charges on Instalment Plan	5,918
Interest on Instalment Plan	35,233
	<u>41,151</u>

Option 4 - Payment by Special Arrangement

This option allows ratepayers to request a special payment arrangement where payments may be made on a weekly, fortnightly or monthly basis. All requests for special payment arrangements are subject to approval by the Director Corporate Services or the CEO under delegated authority, or the Council as required. An initial establishment fee of \$57.60 will apply, along with an administrative charge of \$8.90 for each instalment of the payment arrangement. For the period that the rates and charges remain outstanding, penalty interest of 9.0% will be applied.

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

14. COUNCILLORS' REMUNERATION

	2015/16 Draft Budget \$	2014/15 Actual \$	2014/15 Revised Budget \$
The following fees, expenses and allowances are to be paid to council members and/or the president.			
Meeting Fees	141,147	135,140	135,140
President's Allowance	31,200	30,000	30,000
Deputy President's Allowance	7,800	7,500	7,500
Travelling Expenses	11,000	5,854	9,000
	191,147	178,494	181,640

15. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

Cash - Unrestricted	1,262,847	(68,952)	1,579,164
Cash - Restricted	7,187,213	17,056,486	11,464,459
	8,450,060	16,987,534	13,043,623

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

Reserves

Waste Management	396,032	474,671	195,155
Airport General	4,762,018	7,609,648	6,616,143
Plant and Equipment	2,912	2,844	2,835
Parking	118,387	115,608	115,263
Non-Portable Water	94,111	91,902	50,077
East Kimberley Tourism	139,402	136,129	131,486
Foreshore Reserve	257,967	200,643	207,149
Staff Entitlement	236,184	230,639	229,950
Recreation Hard courts	54,831	53,550	21,699
Bio Security	274,833	268,381	264,547
Childcare	133,469	147,363	146,953
Parks	124,323	316,709	315,763
Footpaths	205,877	277,520	245,691
Asset Management	23,148	0	31,047
Goomig Farmlands Roads Reserve	17,801	2,888,815	2,890,700
Unspent Grants and Loans Reserve	345,918	4,242,065	-
	7,187,213	17,056,487	11,464,459

Other Restricted Cash - Unspent Grants *

	0	0	0
	0	0	0

Total Restricted Cash

	7,187,213	17,056,487	11,464,459
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* Note that unspent grant funds are transferred to the Unspent Grants and Loans Reserve

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

15. NOTES TO THE CASH FLOW STATEMENT (Continued)

	2015/16 Draft Budget	2014/15 Actual	2014/15 Revised Budget
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	1,864,437	8,889,143	3,703,768
Depreciation	5,765,188	5,284,756	5,818,820
(Profit)/Loss on Sale of Asset	(40,211)	389,448	451,621
(Increase)/Decrease in Receivables	(283,077)	(36,444)	0
(Increase)/Decrease in Inventories	0	(176)	(3,135)
Increase/(Decrease) in Payables	(272,351)	(294,190)	(34,931)
Increase/(Decrease) in Employee Provisions	42,761	(121,674)	48,452
Grants/Contributions for the Development of Assets	(5,621,304)	(7,723,807)	(6,783,439)
Net Cash from Operating Activities	<u>1,455,443</u>	<u>6,387,056</u>	<u>3,201,156</u>
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank Overdraft limit	2,500,000	2,500,000	2,500,000
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	55,000	55,000	55,000
Credit Card Balance at Balance Date	0	7,665	0
Total Amount of Credit Unused	<u>2,555,000</u>	<u>2,547,335</u>	<u>2,555,000</u>
Loan Facilities			
Loan Facilities in use at Balance Date	<u>6,163,214</u>	<u>7,117,661</u>	<u>7,117,661</u>
Unused Loan Facilities at Balance Date	<u>192,627</u>	<u>1,019,691</u>	<u>1,019,691</u>

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Notes to and Forming Part of the Budget

For the Year Ended 30 June 2016

16. TRUST FUNDS

Estimated movements in funds held over which the Municipality has no control and which are not included in the financial statements are as follows:

Detail	Balance 30-Jun-15 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-16 \$
Housing Bond	0	0	0	0
Councillor Nomination Fees	0	960	(960)	0
ASIC - Airport Security Card	4,640	0	0	4,640
Footpath Bonds	43,380	0	0	43,380
Hall Hire Bonds - Kununurra Leisure Centre	6,850	0	0	6,850
Hall Hire Bonds - Peter Reid Memorial Hall	270	0	0	270
Wyndham Port Hall Bond	10,000	0	0	10,000
Wyndham Oval Hire Bonds	0	0	0	0
Kununurra Youth Centre Bond	1,750	0	0	1,750
Other	1,870	0	0	1,870
Public Open Space Contributions	433,557	0	0	433,557
Building Services Levy	7,523	0	0	7,523
Building & Construction Industry Training Fund	6,398	0	0	6,398
Kimberley Aboriginal Community Housing	0	0	0	0
Kununurra 50th Birthday Brick Fund	270	0	0	270
50th Anniversary Special Series Number Plates	2,369	0	0	2,369
Terminal Security Access Cards	636	0	0	636
Bus Hire Bond	0	0	0	0
Health Application Fee	0	0	0	0
Private Works Bonds	0	0	0	0
	<u>519,514</u>	<u>960</u>	<u>(960)</u>	<u>519,514</u>

17. MAJOR LAND TRANSACTIONS

It is not anticipated that any major land transactions will occur in 2015/16.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated that any trading undertakings or major trading undertakings will occur in 2015/16.

BUDGET SCHEDULES

SHIRE OF WYNDHAM EAST KIMBERLEY
DRAFT BUDGET 2015-16

Capital Expenditure
 For the Year Ended 30 June 2016

General Ledger	Description	Draft Budget 2015/16	Method of Funding						Net to Council	Funding Description
			Grant		Reserve		Other			
			B / F Grant	Grant 15/16	GL	From Reserve	GL	Other Funds		
	Purchase Infrastructure Assets - Footpaths									
04120233	Footpath renewal	109,315			109,315	03017022				Footpath Reserve
		109,315			109,315					
	Purchase Infrastructure Assets - Drainage									
04120275	Drainage Upgrade (Design, Estimates & Construct)	77,102	77,102							CLGF 12/13
04120323	Divert collapsed drain under properties at Miniata Street	53,154	53,154							CLGF 12/13
New 14	Drainage upgrade Nutwood & Rosewood	300,000	300,000							Roads to Recovery
New Acct #5	Drainage upgrades stormwater outfalls M1	122,714	80,000						62,714	Landcorp and OIC
		552,970	130,256		380,000				62,714	
	Purchase Infrastructure Assets - Other									
04100115	Kununurra Landfill Site - Liquid Waste Facility	76,000					76,000	03100190		Loan 125
04120317	Parking / Safety improvements Mangaloo St	201,000	134,670						66,330	Blackspot
04100116	Kununurra Landfill Site - Storm water & bores	25,000					25,000	03100120		Loan 126
04120728	Security Fence Upgrade - East Kimberley Regional Airport	50,000			50,000	03017002				Airport Reserve
04120734	Runway asphalt overlay	3,282,434	1,713,596		1,568,838	03017002				RADS and Airport Reserve
04120735	Welcome to Country Signage	35,000			35,000	03017002				Airport Reserve
04120815	Car Park Repairs - Wyndham Airport	10,000			10,000	03017002				Airport Reserve
04120816	Runway Maintenance - Wyndham Airport	300,000			300,000	03017002				Airport Reserve
04120740	Airport Runway Extension Assessment and Business Case	144,350			144,350	03017002				Airport Reserve
04111319	Wyndham Waste Water Treatment Facility	41,550			41,550	03017001				Non-Potable Water Reserve
04110515	Lily Creek Lagoon Boat Ramp and Jetty	1,315,918	1,007,804		335,934					Department of Transport (\$1,007,804) and CLGF 12/13 (\$335,934)
04120712	Carpark Upgrade - East Kimberley Regional Airport	150,000			150,000	03017002				Airport Reserve
04100129	Fencing, Dept Ag site - Knx Landfill	33,694					33,694	03100120		Loan 126
04100130	Landfill cover lids - Knx Landfill	120,000					120,000	03100120		Loan 126
04100131	Extend landfill boundary - Knx Landfill	66,124					66,124	03100120		Loan 126
New Acct #3	Kununurra Landfill Site - Capping Existing Site	78,000					78,000	03100120		Loan 126

SHIRE OF WYNDHAM EAST KIMBERLEY

DRAFT BUDGET 2015-16

Capital Expenditure

For the Year Ended 30 June 2016

General Ledger	Description	Draft Budget 2015/16	Method of Funding						Net to Council	Funding Description			
			Grant		Reserve		Other						
			B / F Grant	Grant 15/16	GL	From Reserve	GL	Other Funds			GL		
Purchase Infrastructure Assets - Other (Continued)													
	Kununurra Landfill Site - Re-hab & De-commission Liquid Waste Lagoon	340,000					76,624	03017001	263,376	03100120			Loan 126
	Disability Access Building Modifications	40,000		30,000									Grant from Disability Services Commission
	Playspace and playground equipment	200,000											200,000
	Purchase/Swap Lot 828 Koolama St Wyndham	32,800											32,800
		6,541,870		2,886,070			2,712,296		662,194				309,130
Purchase Plant and Equipment													
	Airport Plant - Purchase Price	130,000					130,000	03017002					Airport Reserve
	Heavy Plant - Purchase Price	883,132											883,132
	Medium Plant - Purchase Price	252,461											252,461
	Light Plant - Purchase Price	225,450											225,450
		1,491,043					130,000						1,361,043
Purchase Furniture and Equipment													
	Furniture and Equipment - East Kimberley Regional Airport	15,000					15,000	03017002					Airport Reserve
	Laptop and Desktop Upgrades - Information Technology	15,000											15,000
	Cable locator	10,000											10,000
	Upgrade inter-site Network Connectivity	60,000											60,000
	System Development - Capital	101,100											101,100
		201,100					15,000						186,100
Grand Total		15,023,012	130,256	6,736,728			5,879,924		927,064				1,486,099

**PLANT MANAGEMENT PROGRAM
2015/16**

Details	Location	Registration No.	Plant No	Further Details	Asset Type	Acquisition Cost	Sale Proceeds	Net Funding Requirement Reserves	Net Funding Requirement Municipal	Net Book Value of Asset	Profit/(Loss) on Disposal	
Light Plant - Passenger Fleet												
Dual Cab 4WD Ute		WY13923	P478	Parks & Gdns - Reticulation	Renewal	47,990	13,990		34,000	17,431	(3,441)	
Dual Cab 4WD Ute		WY14616	P379	Parks & Gdns - Reticulation	Renewal	35,490	13,990		21,500	14,111	(121)	
Dual Cab 2WD Ute		WY12647	P211	Ranger Services	Renewal	39,490	7,400		32,090	5,115	2,285	
Wagon 4WD		WY01	P113	CEO	Renewal	62,990	28,600		34,390	25,179	3,421	
Extra Cab 4WD Ute		WY25609	P122	Ranger Services	Renewal	39,490	13,990		25,500	16,601	(2,611)	
Toyota Hilux		WY14982	P490	Ranger Services	Sell		12,200		(12,200)	13,835	(1,635)	
							225,450	90,170	0	135,280	92,272	(2,102)
Medium Plant - Groundscare Plant (Light)												
Ride On Mower	Knx Depot		P491	Mowing Parks, Ovals, Verges	Renewal	44,075	6,090		37,985	16,000	(9,910)	
							44,075	6,090	0	37,985	16,000	(9,910)
Medium Plant - Groundscare Plant (Heavy) Plus Attachments												
75HP Tractor	Wyn Depot		P333	Slashing	Renewal	94,879	26,857		68,022	0	26,857	
6' Slasher	Wyn Depot			Slashing	Renewal	13,507	0		13,507	0	0	
70HP Tractor	Knx Depot		P313	Slashing	Sell	0	16,500		(16,500)	13,945	2,555	
Reach Arm Slasher	Knx Depot			Slashing	New	100,000	0		100,000	0	0	
Slasher	Knx Depot		P401	Slashing	Sell	0	2,135		(2,135)	0	2,135	
Silvan Shireboss 6"	Knx Depot		P383	Slashing	Sell	0	3,063		(3,063)	7,678	(4,615)	
Slasher												
Tilt Trailer	Knx Depot	ITBZ906	P319		Sell		1,100		(1,100)		1,100	
							208,386	49,655	0	158,731	21,623	28,032
Heavy Plant - Trucks / Earthmoving Plant												
3 Tonne Tip Truck	Wyn Depot	3 Tonne Tip Truck	P331	Roads, Pks & Gdns, Cemetery	Renewal	124,258	20,347		103,911	16,734	3,613	
3 Tonne Tip Truck	Knx Depot	3 Tonne Tip Truck	P367	Roads, Pks & Gdns, Cemetery	Renewal	124,258	19,573		104,685	26,562	(6,989)	
10 Ton Tip Truck	Knx Depot	10 Ton Tip Truck	P309	Roads, Pks & Gdns, Landfill	Renewal	288,735	92,044		196,691	28,050	63,994	
9 Tonne Truck	Wyn Depot	9 Tonne Truck	P372	Roads, Pks & Gdns, Cemetery	Renewal	152,405	24,725		127,680	69,054	(44,329)	
Backhoe	Wyn Depot	Backhoe	P354	Roads, Pks & Gdns, Cemetery	Renewal	193,476	40,633		152,843	18,150	22,483	
							883,132	197,322	0	685,810	158,551	38,771
Airport Plant												
Hino Truck	Airport	IDIK678	P482		Renewal	130,000	20,000	110,000	0	34,580	(14,580)	
							130,000	20,000	110,000	0	34,580	(14,580)
							1,491,043	363,237	110,000	1,017,806	323,026	40,211
TOTAL												

FEES AND CHARGES SCHEDULE

Fees and Charges are set by the Council as part of the budget setting process and may be amended from time to time.

These Fees and Charges can only be modified by a resolution of Council.

All requests for concessions on Fees and Charges must be in made in advance, in writing. Requests should be addressed to the Chief Executive Officer.

Collection of Fees and Charges will be in accordance with Council Policy. The prescribed rate of 11% per annum applies to overdue payment of these charges that are permitted to be invoiced as per Council Policy.

Statutory charges are charges that are set by another legislative body. These have been published in this document for indicative reference only, and may change at any time without this document being amended.

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FIN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)		STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
	Effective 1 July 2015	Effective 1 January 2016			
	GST		Per regulation as at 1 July 2015		
SCHEDULE 3 - GENERAL PURPOSE FUNDING					
Rates					
Administrative Charges					
Change of Ownership Notices (via settlement agents) - Rating information - per lot	x	81.90		Full Cost Recovery	Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
Copy of Rate Notice - per copy (Hard / Electronic copy)	x	23.10		Full Cost Recovery	Local Government (Financial Management) Regulations 1996, Part 5 section 68. GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))
Rates Instalment Plans - Interest (Calculated Daily)	x		5.5% per annum	100% Regulatory Fee	Local Government (Financial Management) Regulations 1996, Part 5 section 67. GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))
Rates Instalment Plans (Per Instalment Notice)	x	11.30		Full Cost Recovery	Local Government (Financial Management) Regulations 1996, Part 5 section 70. GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))
Rates Penalty Interest (Calculated Daily)	x		9% per annum	100% Regulatory Fee	Local Government (Financial Management) Regulations 1996, Part 5 section 70. GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))
Rates Special Payment Arrangement-Administrative Charge - Initial Establishment (By Prior Approval Only)	✓	57.60		Full Cost Recovery	Local Government (Financial Management) Regulations 1996, Part 5 section 67.
Rates Special Payment Arrangement-Administrative Charge - for each instalment of the payment arrangement	✓	9.40		Full Cost Recovery	Local Government (Financial Management) Regulations 1996, Part 5 section 67.
Rate Book					
Rate book will only be provided on completion of a statutory declaration that the information will not be used for commercial purposes by the purchaser or another person.					
Annual Rate Book (per Hard Copy) - at billing	x	387.10		Full Cost Recovery	Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18 GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))
Annual Rate Book (per Electronic Copy) - at billing	x	16.20		Full Cost Recovery	Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18 GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))
Rate Book Subscription Per Annum (Electronic Copy - amendments sent each update during year)	x	131.30		Full Cost Recovery	Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18 GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))



SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
GL	Effective 1 July 2015	Per regulation as at 1 July 2015		
	Effective 1 January 2016			
	GST			
SCHEDULE 4 - GOVERNANCE				
Other Governance				
Administrative Charges				
1040211 (Debtors)	✓	57.60	Full Cost Recovery	Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
	✓	9.40	Full Cost Recovery	GST Exempt; (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))
Trust Receipt to 1040213	✓	32.00	Full Cost Recovery	
1040213	x	320.10	Full Cost Recovery	
1040211	x	63.50	Full Cost Recovery	Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18 GST Exempt; (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))
Freedom of Information Charges				
	x	30.00	100% Regulatory Fee	Freedom of Information Regulations 1993, Schedule 1.
	x	30.00	100% Regulatory Fee	
	x	30.00	100% Regulatory Fee	
	x	30.00	100% Regulatory Fee	
	x	0.20	100% Regulatory Fee	
	x	30.00	100% Regulatory Fee	
	x	Actual Cost	Full Cost Recovery	
	x	Actual Cost	Full Cost Recovery	
	x	25%	100% Regulatory Fee	
	x	75%	100% Regulatory Fee	

Please note: Members of the public may ask the Shire for an estimate of charges when lodging an application. If the charges are likely to exceed \$25, the Shire will provide an estimate of charges and enquire as to whether the application is to proceed. The Shire must be notified within 30 days of an intention to proceed with the application. An advance deposit may be requested.

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN33207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
SCHEDULE 4 - GOVERNANCE				
Other Governance				
Photocopying / Printing				
	A4 Black & white (single sided) per copy - multiply by two for a double sided copy.	✓	0.80	Full Cost Recovery
	A4 Colour (single sided) per copy - multiply by two for a double sided copy.	✓	3.40	Full Cost Recovery
	A3 Black & White (single sided) per copy - multiply by two for a double sided copy	✓	1.40	Full Cost Recovery
	A3 Colour (single sided) per copy - multiply by two for a double sided copy	✓	6.30	Full Cost Recovery
	A2 Black & White (single sided) per copy	✓	3.40	Full Cost Recovery
	A2 Colour (single sided) per copy (printing electronic version only)	✓	12.30	Full Cost Recovery
	A1 Black & White (single sided) per copy	✓	6.20	Full Cost Recovery
	A1 Colour (single sided) per copy (printing electronic version only)	✓	25.10	Full Cost Recovery
	A0 Black & White (single sided) per copy	✓	14.00	Full Cost Recovery
	A0 to A2 Printing (single sided) per copy	✓	30.00	Full Cost Recovery
	A0 Colour (single sided) per copy (printing electronic version only)	✓	50.10	Full Cost Recovery
	Agenda's / Minutes			
	<i>Note: these are available free of charge on Councils website and provided to Media at no cost. Hard copies will not be provided in colour.</i>			
0034	Agenda Only (per meeting)	x	25.00	Full Cost Recovery
0036	Minutes Only (per meeting)	x	25.00	Full Cost Recovery
0038	Minutes & Agenda (per meeting)	x	44.00	Full Cost Recovery
0035	Agenda Only (per annum)	x	217.00	Full Cost Recovery
0037	Minutes Only (per annum)	x	217.00	Full Cost Recovery
0039	Minutes & Agendas (per annum)	x	421.00	Full Cost Recovery
	Other Council Publications			
	Local Laws (per law) - note these can be downloaded at no cost from State Publisher website	✓	30.20	Full Cost Recovery
	Tender documents (where document charge is required in tender information)	✓	75.20	Full Cost Recovery
	Shire Facilities Hire			
	Kununurra Council Chambers			
	1) Not for Profit / Non Government & Youth Service Providers - per day. Note: fee is reduced by 50% for half day hire.	✓	215.00	Partial Cost Recovery
	2) Commercial / Government / Private per day. Note: fee is reduced by 50% for half day hire.	✓	310.00	Full Cost Recovery
	Kununurra Shire Meeting Room			
	1) Not for Profit / Non Government & Youth Service Providers - per day. Note: fee is reduced by 50% for half day hire.	✓	215.00	Partial Cost Recovery
	2) Commercial / Government / Private per day. Note: fee is reduced by 50% for half day hire.	✓	310.00	Full Cost Recovery

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
	Effective 1 July 2015	Effective 1 January 2016 Per regulation as at 1 July 2015		

Other Governance				
Wyndham Shire Office Meeting Room:-				
1) Not for Profit / Non Government & Youth Service Providers - per day. Note: fee is reduced by 50% for half day hire.	✓	215.00	Partial Cost Recovery	Local Government Act 1995 - Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
2) Commercial / Government / Private per day. Note: fee is reduced by 50% for half day hire.	✓	310.00	Full Cost Recovery	

SCHEDULE 5 - LAW, ORDER AND PUBLIC SAFETY				
Animal Control				
Sterilised Dog Registration				
One Year				
Normal Fee	x	20.00	100% Regulatory Fee	
Pensioner Concession	x	10.00	100% Regulatory Fee	
Dog Bona Fide Used In Droving or Tending Stock	x	5.00	100% Regulatory Fee	
Three Years				
Normal Fee	x	42.50	100% Regulatory Fee	
Pensioner Concession	x	21.25	100% Regulatory Fee	
Dog Bona Fide Used In Droving or Tending Stock	x	10.63	100% Regulatory Fee	
Sterilised Dog Registration (continued)				
Normal Fee	x	100.00	100% Regulatory Fee	
Pensioner Concession	x	50.00	100% Regulatory Fee	
Dog Bona Fide Used In Droving or Tending Stock	x	25.00	100% Regulatory Fee	
Unsterilised Dog Registration				
One Year				
Normal Fee	x	50.00	100% Regulatory Fee	
Pensioner Concession	x	25.00	100% Regulatory Fee	
Dog Bona Fide Used In Droving or Tending Stock	x	12.50	100% Regulatory Fee	
Three Years				
Normal Fee	x	120.00	100% Regulatory Fee	
Pensioner Concession	x	60.00	100% Regulatory Fee	
Dog Bona Fide Used In Droving or Tending Stock	x	30.00	100% Regulatory Fee	
Lifetime				
Normal Fee	x	250.00	100% Regulatory Fee	
Pensioner Concession	x	125.00	100% Regulatory Fee	
Dog Bona Fide Used In Droving or Tending Stock	x	62.50	100% Regulatory Fee	
Boarding Kennels				
Boarding Kennel Registration and Annual Renewal Fee - Licensed under section 27	x	200.00	100% Regulatory Fee	

Dog Regulations 2013 - Section 17
GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code
(If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)

GL

COUNCIL CHARGE
GST INCLUSIVE
(WHERE INDICATED ✓)
Effective 1 July 2015 Effective 1 January 2016
STATUTORY CHARGE
Per regulation as at 1 July 2015

PRICING BASIS
REFERENCE
(TARGET)

LEGISLATIVE REFERENCE

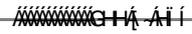
Animal Control (continued)

Dog Infringements

Unregistered Dog (for dogs other than dangerous dogs)	x	200.00	100% Regulatory Fee
Unregistered Dog (dangerous dogs)	x	400.00	100% Regulatory Fee
Failure to notify local government of new owner	x	200.00	100% Regulatory Fee
Registration tag, certificate offences (for dogs other than dangerous dogs)	x	200.00	100% Regulatory Fee
Registration tag, certificate offences (dangerous dogs)	x	400.00	100% Regulatory Fee
Unlawful application of sterilisation tattoo	x	200.00	100% Regulatory Fee
Failure to ensure dog microchipped	x	200.00	100% Regulatory Fee
Failure to ensure dangerous dog microchipped	x	400.00	100% Regulatory Fee
Failure to notify local government of microchip details	x	200.00	100% Regulatory Fee
Removing, or interfering with a dog's microchip	x	200.00	100% Regulatory Fee
Transfer of ownership of unmicrochipped dog	x	200.00	100% Regulatory Fee
Failure to notify microchip database company of new owner	x	200.00	100% Regulatory Fee
Failure to notify local government, microchip database company of information changes	x	200.00	100% Regulatory Fee
Keeping more than the prescribed number of dogs (for dogs other than dangerous dogs)	x	200.00	100% Regulatory Fee
Keeping more than the prescribed number of dogs (dangerous dogs)	x	400.00	100% Regulatory Fee
Breach of kennel establishment licence	x	200.00	100% Regulatory Fee
Dog not wearing collar with attached registration tag	x	200.00	100% Regulatory Fee
Dog not held or tethered in certain public places	x	200.00	100% Regulatory Fee
Dog in exercise areas, rural areas offences	x	200.00	100% Regulatory Fee
Greyhound not muzzled	x	200.00	100% Regulatory Fee
Dog in place without consent (for dogs other than dangerous dogs)	x	200.00	100% Regulatory Fee
Dog in place without consent (dangerous dogs)	x	400.00	100% Regulatory Fee
Dog attack or chase causing physical injury	x	400.00	100% Regulatory Fee
Dog attack or chase causing no physical injury (for dogs other than dangerous dogs)	x	200.00	100% Regulatory Fee
Dog attack or chase causing no physical injury (dangerous dogs)	x	400.00	100% Regulatory Fee
Dangerous dog not wearing prescribed collar with prescribed information	x	400.00	100% Regulatory Fee
Not complying with dangerous dog enclosure requirements	x	400.00	100% Regulatory Fee
Not complying with commercial security dog requirements	x	400.00	100% Regulatory Fee
Warning signs about dangerous dogs not displayed	x	400.00	100% Regulatory Fee
Dangerous dog not muzzled	x	400.00	100% Regulatory Fee
Dangerous dog not held or tethered	x	400.00	100% Regulatory Fee
Dangerous dog not controlled by capable person	x	400.00	100% Regulatory Fee
Dangerous dog in prohibited place	x	400.00	100% Regulatory Fee
Dangerous dog (restricted breed) not sterilised	x	400.00	100% Regulatory Fee

Dog Regulations 2013, Section 33
GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))

1050313



SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Other Law, Order, and Public Safety (continued)				
Bushfire Infringements (continued)				
	Obstruction	x	250.00	100% Regulatory Fee
	Applying to another bush fire control officer for permit where permit already refused or granted subject to special conditions	x	250.00	100% Regulatory Fee
	Failure to notify or report the escape of a fire lit under permit	x	250.00	100% Regulatory Fee
	Failure to comply with a requisition of a bush fire control officer relating to burning under section 24A of the Act	x	250.00	100% Regulatory Fee
	Offences relating to operation of bulldozer or road grader	x	250.00	100% Regulatory Fee
	Operating harvesting machine or header during prohibited burning times or restricted burning times without fire extinguisher	x	250.00	100% Regulatory Fee
	Operating or using engines, vehicles, plant or machinery contrary to notice or direction	x	500.00	100% Regulatory Fee
	Failure to fit spark arrester to power saw, bag loader or other plant or equipment	x	250.00	100% Regulatory Fee
	Offences relating to operation of motor vehicles	x	250.00	100% Regulatory Fee
	Offences relating to operation of aeroplanes	x	250.00	100% Regulatory Fee
	Offences relating to operation of welding and cutting apparatus	x	250.00	100% Regulatory Fee
	Failure to comply with directions of bush fire control officer	x	250.00	100% Regulatory Fee
	Offences relating to the use of fireworks	x	250.00	100% Regulatory Fee
	Failure to comply with the directions of a bush fire control officer	x	250.00	100% Regulatory Fee
	Failure to give prescribed notification to local government regarding the occurrence of a bush fire	x	100.00	100% Regulatory Fee
	Failure by owner or occupier of land to give prescribed notice of intention to exercise powers conferred by section 34 of the Act	x	250.00	100% Regulatory Fee
	Camping Infringements			
	Occupied a park home not in a caravan park	x	200.00	100% Regulatory Fee
	Camped other than at a licensed caravan park or camping ground	x	100.00	100% Regulatory Fee
	Excessive number of caravans on a lot without approval	x	100.00	100% Regulatory Fee
	Failed to maintain a caravan or a camp in a condition such that it was not a hazard to safety or health	x	100.00	100% Regulatory Fee
	Failed to ensure that a caravan or park home was transportable	x	100.00	100% Regulatory Fee
	Failed to ensure that a caravan complied with standards for caravans	x	100.00	100% Regulatory Fee
	Failed to ensure that an annex complied to standards for annexes	x	100.00	100% Regulatory Fee
	Being an occupier of a site, failed to ensure the site complied with the requirements of Schedule 7 of the Regulations being: a. a vehicle parked on a facility road b. a caravan, storage shed or other building on a site not tied down or made safe as approved	x	50.00	100% Regulatory Fee
		x	200.00	100% Regulatory Fee

Bush Fires Act 1954

Parks & Camping Grounds Act 1997

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FNS3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Preventative Services - Administration (continued)				
Food Business - Annual Surveillance Charge				
FBHR (via Health)	x 445.00	Full Cost Recovery		Food Act 2008 s140; Local Government Act 1995 , Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
FBMR (via Health)	x 296.00	Full Cost Recovery		Public Service Award 1992 for Engine Displacement rates
FBLR (via Health)	x 148.00	Full Cost Recovery		
	✓ Actual Cost	Full Cost Recovery		
Remote Premises	x 0.986	Full Cost Recovery		
Routine Inspections By Road - per kilometre - (Engine Displacement Over 2600cc)	x 0.706	Full Cost Recovery		
Routine Inspections By Road - per kilometre - (Engine Displacement Over 1600cc to 2600cc)	x 0.583	Full Cost Recovery		
Routine Inspections By Road - per kilometre - (Engine Displacement: 1600cc and Under)	x 148.00	Full Cost Recovery		
Re-Assessment Following Identification of Non-Compliance		Full Cost Recovery		
Infringements				
Offences under the Food Act 2008	x	As Prescribed	100% Regulatory Fee	Food Act 2008
Offences under the Food Regulations 2009	x	As Prescribed	100% Regulatory Fee	Food Regulations 2009
Offences under the Environmental Protection Act 1986	x	As Prescribed	100% Regulatory Fee	Environmental Protection Act 1986
Offences under the Environmental Protection (Noise) Regulations 1997	x	As Prescribed	100% Regulatory Fee	Environmental Protection (Noise) Regulations 1997
Offences under the Environmental Protection (Unauthorised Discharges) Regulations 2004	x	As Prescribed	100% Regulatory Fee	Environmental Protection (Unauthorised Discharges) Regulations 2004
Effluent Disposal				
On-site effluent disposal applications (includes local government application fee \$118 and permit to use apparatus fee \$118)	x	236.00	100% Regulatory Fee	Health (Treatment of Sewage and Disposal of Effluent and Liquid Waste) Regulations 1974, Schedule 1
Local Government Report	x	118.00	Full Cost Recovery	
Swimming Pool Sampling				
Pool Sample Fee	✓	84.00	Full Cost Recovery	Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
Re-sample of pool following failure of monthly sample	✓	184.70	Full Cost Recovery	
Water Sample Fee (Potable Water)	✓	84.00	Full Cost Recovery	
Public Buildings				
Form 1 - Application to Construct, Extend or Alter	✓	50.00	Full Cost Recovery	Health Act 1911, section 176; Health (Public Buildings) Regulations 1992, schedule 1; Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
Form 2 - Application for Certificate of Approval (Low Risk)	✓	70.40	Full Cost Recovery	
Form 2 - Application for Certificate of Approval (Medium Risk)	✓	139.60	Full Cost Recovery	
Form 2 - Application for Certificate of Approval (High Risk)	✓	278.10	Full Cost Recovery	
Form 3 - Application to Vary Certificate of Approval	✓	70.40	Full Cost Recovery	

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code
(If Sundry Debtor invoicing permitted to approved account holders under policy CP FNS3207)

GL

**COUNCIL CHARGE
GST INCLUSIVE
(WHERE INDICATED ✓)**

STATUTORY CHARGE

PRICING BASIS REFERENCE (TARGET)

LEGISLATIVE REFERENCE

Effective 1 July 2015

Effective 1 January 2016

Per regulation as at 1 July 2015

Preventative Services - Administration (continued)	
Other Health Fees and Charges	
LHAN (via Health)	Lodging House Registration per annum
1070412	Lodging House Registration per annum
	Inspection Fee (Settlement request, certificate of local government under Liquor Control Act 1988)
1070417	Offensive Trade Registration
	Retrieval and research fee for health information / documentation (per hour - one hour minimum). <i>Note: freedom of information restrictions may apply (additional fees apply for copying)</i>

Sanitation - Household Refuse	
Waste Management and Collection Charges (where applicable)	
1100116	Waste Management Charge (per annum)
1100110	Waste Receptacle Charge - once weekly service (per receptacle per annum)
1100111	Additional Waste Receptacle Charge (per receptacle per service per annum)
1100110	Waste Collection Service (Exempt / Non-Rateable) (per receptacle per annum)
100113	Replacement of Bin (per bin at cost plus administrative fee)
	Repairs to Bin (per repair at cost plus administrative fee)

SCHEDULE 10 - COMMUNITY AMENITIES

1100116	Waste Management Charge (per annum)	x	200.00	Full Cost Recovery + Possible Future Consideration	Waste Avoidance and Resource Recovery Act 2007, Part 6, Div 3, Section 66; Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18; GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))
1100110	Waste Receptacle Charge - once weekly service (per receptacle per annum)	x	293.90	Full Cost Recovery	Waste Avoidance and Resource Recovery Act 2007, Part 6, Div 3, Section 67; Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18; GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))
1100111	Additional Waste Receptacle Charge (per receptacle per service per annum)	x	516.30	Full Cost Recovery	Waste Avoidance and Resource Recovery Act 2007, Part 6, Div 3, Section 68; Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18; GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))
1100110	Waste Collection Service (Exempt / Non-Rateable) (per receptacle per annum)	x	516.30	Full Cost Recovery	Waste Avoidance and Resource Recovery Act 2007, Part 6, Div 3, Section 68; Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18; GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))
100113	Replacement of Bin (per bin at cost plus administrative fee)	x	Full cost recovery + \$18.70 administrative fee	Full Cost Recovery	Waste Avoidance and Resource Recovery Act 2007, Part 6, Div 3, Section 68; Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18; GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))
	Repairs to Bin (per repair at cost plus administrative fee)	x	Full cost recovery + \$18.70 administrative fee	Full Cost Recovery	Waste Avoidance and Resource Recovery Act 2007, Part 6, Div 3, Section 68; Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18; GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Sanitation - Household Refuse (continued)				
Disposal Charges (continued)				
0047	✓ 1.00	Waste Oil - per litre	Full Cost Recovery + Possible Future Consideration	
0048	✓ 6.20	Disposal of Waste Oil Drums (44 gallon drums & over)	Full Cost Recovery + Possible Future Consideration	
	No Cost	Car Bodies	Full Cost Recovery + Possible Future Consideration	
0049	✓ 8.70	Car Tyres	Full Cost Recovery + Possible Future Consideration	
0050	✓ 11.10	4WD Tyres	Full Cost Recovery + Possible Future Consideration	Waste Avoidance and Resource Recovery Act 2007, Part 6, Div 3, Section 68; Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
0051	✓ 29.40	Truck Tyres	Full Cost Recovery + Possible Future Consideration	
0052	✓ 83.30	Earthmoving Tyres	Full Cost Recovery + Possible Future Consideration	
0056	✓ 7.40	Pallets (per pallet)	Full Cost Recovery + Possible Future Consideration	
0053	✓ 189.80	Contaminated soil - hydrocarbons (CSH) - per m3	Full Cost Recovery + Possible Future Consideration	
	No Longer Accepted	Contaminated soil - others (CSO) - per m3	Full Cost Recovery + Possible Future Consideration	
	No Cost	Clean Fill - Uncontaminated	Full Cost Recovery + Possible Future Consideration	

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Town Planning and Regional Development (continued)				
Home Occupation				
		Initial Application	222.00	100% Regulatory Fee
		Annual Renewal	73.00	100% Regulatory Fee
100615		Penalty for conducting Home Occupation without Planning Consent, or for conducting a Home Occupation after expiration of annual renewal	3 x Home Occupation Application or Renewal Fee as applicable	Planning and Development Act 2005, Town Planning Regulations 2009, Reg 47 Schedule 2.
Scheme Amendment and Structure Plans				
		<i>Note: Fees are calculated per officer per hour.</i>		
		Initial application fee	2,500.00	100% Regulatory Fee
		Assessment fees will then be calculated on the following basis - per hour per officer:		
		Director / City / Shire Planner \$83.00 per hour		
		Manager / Senior Planner \$63.00 per hour		
		Planning Officer \$34.70 per hour		
		Other staff eg: Environmental Health Officer \$34.70 per hour		
		Secretary / Administration Clerk \$28.40 per hour		
		Fees will be calculated when works completed as per above. A refund or further charge will then apply for any costs outside the initial application fee.		WA Planning Commission Fees
		Advertising	✓	Full Cost Recovery
Strata Plan, Re-subdivision or Consolidation of Lots Applications (per lot)				
		A) Not more than 5 lots		
		Base assessment fee; plus	637.00	100% Regulatory Fee
		Assessment fee per lot	64.00	100% Regulatory Fee
		B) More than 5 lots (up to and including 100 lots)		
		Base assessment fee; plus	957.00	100% Regulatory Fee
		Assessment fee per lot	42.40	100% Regulatory Fee
		C) More than 100 lots (capped)		
		Base assessment fee; plus	4,985.00	100% Regulatory Fee
		Assessment fee per lot		
		Subdivision / Strata Clearance (per lot)		
		Not more than 5 lots (per lot)	73.00	100% Regulatory Fee
		More than 5 lots but not more than 195 lots - first 5 lots as per fee above, Lots 6 - 195 (per lot)	73.00	100% Regulatory Fee
		More than 195 lots	7,393.00	100% Regulatory Fee
		0.20 per sqm of floor area (with a minimum fee of \$100)		WA Planning Commission Fees
100612		Strata Form 7 Clearance Certificate under section 5B(2), 8A(f) or 9(3) of the Strata Titles Act		Strata Titles General Regulations 1996, Schedule 1 (2).

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FNS3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Town Planning and Regional Development (continued)				
Other Planning Fees				
100614	✓	73.00	100% Regulatory Fee	Planning and Development Act 2005, Town Planning Regulations
100613	x	73.00	100% Regulatory Fee	
100614	✓	73.00	100% Regulatory Fee	
100613	x	64.10	Full Cost Recovery	
100613	x	117.60	Full Cost Recovery	
100613	x	289.70	Full Cost Recovery	
Trading in Public Places or Thoroughfares				
100611	x	105.00	Full Cost Recovery	
100611	x	26.30	Full Cost Recovery	
100611	x	367.30	Full Cost Recovery	Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
100611	x	1,049.30	Full Cost Recovery	
Outdoor Dining				
100611	x	150.00	Full Cost Recovery	
100611	x	10.00	Full Cost Recovery	
Display of Goods				
100611	x	150.00	Full Cost Recovery	
100611	x	10.00	Full Cost Recovery	
Other Community Amenities				
Cemeteries				
1. On application for an order for burial the following fees shall be payable:				
1100710	✓	1,285.40	Full Cost Recovery	
1100710	✓	1,017.90	Full Cost Recovery	
1100710	✓	678.90	Full Cost Recovery	
1100710	✓	979.00	Full Cost Recovery	
1100710	✓	272.90	Full Cost Recovery	
1100710	✓	1,285.40	Full Cost Recovery	
1100710	✓	545.70	Full Cost Recovery	
1100710	x	333.70	Full Cost Recovery	
1100710	x	84.00	Full Cost Recovery	
1100710	x	34.70	Full Cost Recovery	
1100710	x	173.20	Full Cost Recovery	
1100710	x	36.80	Full Cost Recovery	

Cemeteries Act 1986, part VII, s53

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FIN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
	Effective 1 July 2015	Effective 1 January 2016	Per regulation as at 1 July 2015	
Other Community Amenities				
Roadside Memorial				
1100710	✓ 323.20		Full Cost Recovery	Cemeteries Act 1986, part VII, s53
Wyndham Community Resource Centre				
Memberships				
Community Member	✓ 94.50		Partial Cost Recovery	
Corporate	✓ 105.00		Partial Cost Recovery	
Family of 4	✓ 131.20		Partial Cost Recovery	
<i>Note: Memberships include: 10% Discount on services excluding advertising + 4 hours free internet per year</i>				
Meeting Room Hire Per Day - Members				
Not for Profit, Youth Services	✓ 190.30		Partial Cost Recovery	
Government, Private	✓ 275.40		Partial Cost Recovery	
Meeting Room Hire Per Day - Non-Members				
Not for Profit, Youth Services	✓ 211.40		Partial Cost Recovery	
Government, Private	✓ 305.90		Partial Cost Recovery	
Staff Hire Per Meeting - Members				
Minutes Only	✓ 25.10		Partial Cost Recovery	
Minutes & Agenda	✓ 50.10		Partial Cost Recovery	
Typing Documents Per Hour	✓ 35.10		Partial Cost Recovery	
Typing Documents Per Page	✓ 10.10		Partial Cost Recovery	
Staff Hire Per Meeting - Non-Members				
Minutes Only	✓ 27.90		Partial Cost Recovery	
Minutes & Agenda	✓ 55.70		Partial Cost Recovery	
Typing Documents Per Hour	✓ 39.00		Partial Cost Recovery	
Typing Documents Per Page	✓ 11.20		Partial Cost Recovery	
Staff Assistance - Members				
Computer Assistance Per Hour	✓ 15.20		Partial Cost Recovery	
Emailing (Per Email)	✓ 4.10		Partial Cost Recovery	
Staff Assistance - Non-Members				
Computer Assistance Per Hour	✓ 16.70		Partial Cost Recovery	
Emailing (Per Email)	✓ 4.60		Partial Cost Recovery	
Laminating - Members				
A4 Per Page	✓ 2.10		Partial Cost Recovery	
A3 Per Page	✓ 3.10		Partial Cost Recovery	
Other Sizes - POA	✓		Partial Cost Recovery	

Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Wyndham Community Resource Centre (continued)				
Laminating - Non-Members				
A4 Per Page	✓ 2.40		Partial Cost Recovery	
A3 Per Page	✓ 3.40		Partial Cost Recovery	
Other Sizes - POA	✓ POA		Partial Cost Recovery	
Faxing - Members				
Local and STD Initial Page	✓ 4.10		Partial Cost Recovery	
Local and STD Subsequent Pages	✓ 1.10		Partial Cost Recovery	
International Initial Page	✓ 5.10		Partial Cost Recovery	
International Subsequent Pages	✓ 3.10		Partial Cost Recovery	
Receiving Per Page	✓ 0.60		Partial Cost Recovery	
Faxing - Non-Members				
Local and STD Initial Page	✓ 4.60		Partial Cost Recovery	
Local and STD Subsequent Pages	✓ 1.20		Partial Cost Recovery	
International Initial Page	✓ 5.60		Partial Cost Recovery	
International Subsequent Pages	✓ 3.40		Partial Cost Recovery	
Receiving Per Page	✓ 0.70		Partial Cost Recovery	
Photocopying/Printing (Black and White) - Members				
A4 Single Side	✓ 0.30		Partial Cost Recovery	
A4 Double Side	✓ 0.50		Partial Cost Recovery	
A3 Single Side	✓ 0.50		Partial Cost Recovery	
A3 Double Side	✓ 0.90		Partial Cost Recovery	
Photocopying/Printing (Black and White) - Non-Members				
A4 Single Side	✓ 0.40		Partial Cost Recovery	
A4 Double Side	✓ 0.60		Partial Cost Recovery	
A3 Single Side	✓ 0.60		Partial Cost Recovery	
A3 Double Side	✓ 1.00		Partial Cost Recovery	
Photocopying/Printing (Full Colour) - Members				
A4 Single Side	✓ 1.10		Partial Cost Recovery	
A4 Double Side	✓ 2.10		Partial Cost Recovery	
A3 Single Side	✓ 2.10		Partial Cost Recovery	
A3 Double Side	✓ 4.10		Partial Cost Recovery	

Local Government Act 1995, Part 6, Division 5,
Sections 6.15, 6.16, 6.17, 6.18

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	COUNCIL CHARGE		STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
	GST	GST INCLUSIVE (WHERE INDICATED ✓)			
	Effective 1 July 2015	Effective 1 January 2016	Per regulation as at 1 July 2015		
Wyndham Community Resource Centre (continued)					
Photocopying/Printing (Full Colour) - Non-Members					
A4 Single Side	✓	1.20		Partial Cost Recovery	
A4 Double Side	✓	2.40		Partial Cost Recovery	
A3 Single Side	✓	2.40		Partial Cost Recovery	
A3 Double Side	✓	4.60		Partial Cost Recovery	
Scanning - Members					
First Page	✓	2.10		Partial Cost Recovery	
Subsequent Pages	✓	0.90		Partial Cost Recovery	
Photos - Per Photo	✓	5.10		Partial Cost Recovery	
Guillotining Per Page	✓	2.10		Partial Cost Recovery	
Scanning - Non-Members					
First Page	✓	2.40		Partial Cost Recovery	
Subsequent Pages	✓	1.00		Partial Cost Recovery	
Photos - Per Photo	✓	5.60		Partial Cost Recovery	
Guillotining Per Page	✓	2.40		Partial Cost Recovery	
Internet Access - Members					
Per 1/2 Hour	✓	4.10		Partial Cost Recovery	Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
Per Hour	✓	8.10		Partial Cost Recovery	
Wi-Fi Per 1/2 Hour	✓	4.10		Partial Cost Recovery	
Wi-Fi Per Hour	✓	6.70		Partial Cost Recovery	
10 Hour Voucher	✓	60.20		Partial Cost Recovery	
Internet Access - Non-Members					
Per 1/2 Hour	✓	4.60		Partial Cost Recovery	
Per Hour	✓	9.00		Partial Cost Recovery	
Wi-Fi Per 1/2 Hour	✓	4.60		Partial Cost Recovery	
Wi-Fi Per Hour	✓	7.30		Partial Cost Recovery	
10 Hour Voucher	✓	66.80		Partial Cost Recovery	
CD Burning - Members					
CD Included	✓	13.20		Partial Cost Recovery	
No CD Included	✓	10.10		Partial Cost Recovery	
CD Burning - Non-Members					
CD Included	✓	14.50		Partial Cost Recovery	
No CD Included	✓	11.20		Partial Cost Recovery	

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN33207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Wyndham Community Resource Centre (continued)				
DVD Burning - Members				
DVD Included	✓ 18.10		Partial Cost Recovery	
No DVD Included	✓ 15.20		Partial Cost Recovery	
DVD Burning - Non-Members				
DVD Included	✓ 20.10		Partial Cost Recovery	
No DVD Included	✓ 16.70		Partial Cost Recovery	
Video Conferencing ISDN to Web - Members				
Price Per Hour - Includes Room Hire	✓ 125.20		Partial Cost Recovery	
* Requires Bookings in Advance. Prices dependent on third party provider.				
Video Conferencing ISDN to Web - Non-Members				
Price Per Hour - Includes Room Hire	✓ 139.10		Partial Cost Recovery	
* Requires Bookings in Advance. Prices dependent on third party provider.				
Web Conferencing IP Based - Members				
Multi Point (up to 8 sites)	✓ 65.20		Partial Cost Recovery	
* Price Per Hour Includes Room Hire				
Web Conferencing IP Based - Non-Members				
Multi Point (up to 8 sites)	✓ 72.30		Partial Cost Recovery	
* Price Per Hour Includes Room Hire				
Exam Supervision - Members				
Price Per Hour	✓ 50.10		Partial Cost Recovery	
* Includes Room Set Up and Hire				
Exam Supervision - Non-Members				
Price Per Hour	✓ 55.70		Partial Cost Recovery	
* Includes Room Set Up and Hire				
The Bastion Advertising - 1 Month - Black and White				
1/4 Page Advertising	✓ 55.70		Partial Cost Recovery	
1/2 Page Advertising	✓ 100.20		Partial Cost Recovery	
Full Page Advertising	✓ 194.70		Partial Cost Recovery	
The Bastion Advertising - 3 Months - Black and White				
1/4 Page Advertising	✓ 139.10		Partial Cost Recovery	
1/2 Page Advertising	✓ 278.10		Partial Cost Recovery	
Full Page Advertising	✓ 556.20		Partial Cost Recovery	

Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code
(If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)

COUNCIL CHARGE
GST INCLUSIVE (WHERE INDICATED ✓)

STATUTORY CHARGE
Per regulation as at 1 July 2015

PRICING BASIS REFERENCE (TARGET)

LEGISLATIVE REFERENCE

Effective 1 July 2015 Effective 1 January 2016

Wyndham Community Resource Centre (continued)

The Bastion Advertising - 6 Months - Black and White

1/4 Page Advertising	✓	267.00	Partial Cost Recovery
1/2 Page Advertising	✓	533.90	Partial Cost Recovery
Full Page Advertising	✓	1,056.70	Partial Cost Recovery

The Bastion Advertising - 12 Months - Black and White

1/4 Page Advertising	✓	500.60	Partial Cost Recovery
1/2 Page Advertising	✓	1,001.10	Partial Cost Recovery
Full Page Advertising	✓	2,002.10	Partial Cost Recovery

The Bastion Advertising - 1 Month - Colour

1/4 Page Advertising	✓	122.40	Partial Cost Recovery
1/2 Page Advertising	✓	244.70	Partial Cost Recovery
Full Page Advertising	✓	500.60	Partial Cost Recovery

The Bastion Advertising - 3 Months - Colour

1/4 Page Advertising	✓	356.00	Partial Cost Recovery
1/2 Page Advertising	✓	700.80	Partial Cost Recovery
Full Page Advertising	✓	1,395.90	Partial Cost Recovery

The Bastion Advertising - 6 Months - Colour

1/4 Page Advertising	✓	661.80	Partial Cost Recovery
1/2 Page Advertising	✓	1,321.40	Partial Cost Recovery
Full Page Advertising	✓	2,647.20	Partial Cost Recovery

The Bastion Advertising - 12 Months - Colour

1/4 Page Advertising	✓	1,256.90	Partial Cost Recovery
1/2 Page Advertising	✓	2,502.60	Partial Cost Recovery
Full Page Advertising	✓	4,994.10	Partial Cost Recovery

The Bastion Advertising - Classifieds (Per Month)

6 x 9 (W x L) Black and White Advertising	✓	33.40	Partial Cost Recovery
6 x 9 (W x L) Colour Advertising	✓	72.30	Partial Cost Recovery

Libraries

Photocopying/Printing/Faxing/Internet

A4 Black & White (single sided) per copy - multiply by two for a double sided copy	✓	0.35	Full Cost Recovery
A4 Colour (single sided) per copy - multiply by two for a double sided copy	✓	1.15	Full Cost Recovery
A3 Black & White (single sided) per copy - multiply by two for double sided copy	✓	0.65	Full Cost Recovery
A3 Colour (single sided) per copy - multiply by two for double sided copy	✓	2.50	Full Cost Recovery

Public Library Services Framework Agreement
2010

111903

111512

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP PMS3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
GL	Effective 1 July 2015	Effective 1 January 2016 Per regulation as at 1 July 2015		
	✓	4.50	Full Cost Recovery	
	✓	1.20	Full Cost Recovery	
	No Cost		Full Cost Recovery	
	✓	4.20	Full Cost Recovery	Public Library Services Framework Agreement 2010
1111512	✓	5.90	Full Cost Recovery	
	✓	2.70	Full Cost Recovery	
	✓	3.70	Full Cost Recovery	

SCHEDULE II - RECREATION AND CULTURE

Libraries (continued)

Photocopying/Printing/Faxing/Internet

Faxing - First Page

Faxing - Each Page after First Page

Internet Use for Research and Education purposes

Internet - 30 minute usage

Other Library Services

Lost & Damaged books/items Admin fee (plus depreciated replacement cost)

Laminating A4 Per Page

Laminating A3 Per Page

Not for profit/non government user groups: Where the sum of income generated by the activity is equal to or less than the total cost of the hire fee or other applicable fee; or group is registered as not for profit with the Australian Taxation Office; or incorporated sporting groups or community service organisations (as defined by their constitution).

Commercial / government / private user groups: All groups not classified as not for profit as defined above; or all government agencies; or any private function not hired on behalf of a group or organisation.

Hall only: Any activity that takes place that does not require the use of equipment other than the items stated on the hire terms and conditions form, or where this equipment is provided by the hirer.

Youth Service Providers: All groups that deliver service targeting young people within the age range of 10 to 24; and must be defined as not for profit/non government; or specific registered youth agencies.

Including equipment: Any activity that requires the use of equipment / items other than those listed in the hall hire terms and conditions, specifically chairs and tables.

Community and Recreation Facilities and Services

Hire Bonds

Note: Bonds apply to ALL facility and equipment hire.

Bond - High Risk (as defined by policy)	x	1,000.00	Full Cost Recovery	
Bond - Medium Risk (as defined by policy)	x	500.00	Full Cost Recovery	
Bond - Low Risk (as defined by policy)	x	250.00	Full Cost Recovery	
Bond - Category 1 Equipment Hire (where not provided in function/facility hire) (as defined by policy)	x	250.00	Full Cost Recovery	Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
Bond - Category 2 Equipment Hire	x	500.00	Full Cost Recovery	
Bond - Key Hire Seasonal (Sporting clubs rooms)	x	150.00	Full Cost Recovery	
Bond - Key Hire (short term / casual use)	x	50.00	Full Cost Recovery	

Trust Receipt
dependent on
facility

860 of 937

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Other Recreation and Sport - Facility Hire				
Kununurra Youth Centre - Half Activity Building (may include kitchen upon approval) :				
	✓	17.00	Partial Cost Recovery	
	✓	40.00	Full Cost Recovery	
Meeting Rooms				
Peter Reid Memorial Hall - meeting room:				
1110112	✓	26.00	Partial Cost Recovery	
	✓	40.00	Full Cost Recovery	
Kununurra Youth Centre - meeting room:				
	✓	17.00	Partial Cost Recovery	
	✓	40.00	Full Cost Recovery	
Sporting Activity Facility Hire				
Kununurra Leisure Centre Hall:				
1110810	✓	40.00	Partial Cost Recovery	
	✓	60.00	Full Cost Recovery	
	✓	45.00	Partial Cost Recovery	
	✓	15.00	Partial Cost Recovery	
Kununurra Leisure Centre Squash, Badminton and Outdoor Volleyball Court:				
	✓	31.00	Partial Cost Recovery	
	✓	48.00	Full Cost Recovery	
1110814	✓	10.50	Full Cost Recovery	
	✓	7.00	Full Cost Recovery	
	✓	7.00	Full Cost Recovery	
	✓	5.00	Full Cost Recovery	
	✓	47.00	Full Cost Recovery	
	✓	15.00	Full Cost Recovery	
	✓	5.00	Full Cost Recovery	
Wyndham Recreation Centre Undercover Courts:				
1110911	✓	10.00	Partial Cost Recovery	
	✓	35.00	Full Cost Recovery	
Wyndham Recreation Centre Enclosed Area:				
	✓	12.00	Partial Cost Recovery	
	✓	35.00	Full Cost Recovery	

Local Government Act 1995, Part 6, Division 5,
Sections 6.15, 6.16, 6.17, 6.18

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Other Recreation and Sport - Facility Hire				
Sporting Activity Facility Hire (continued)				
Swimming Pool Facility Hire				
1110313 /	✓ 75.00		Partial Cost Recovery	
Day Rate (includes qualified Pool Operator) - per hour				
1110413 /	✓ 110.00		Partial Cost Recovery	
Night Rate (includes qualified Pool Operator and lights) - per hour				
Swimming Clubs Night Rate - per hour	✓ 95.00		Partial Cost Recovery	
Ovals (Includes Wyndham, Kununurra and Ag Society Oval).				
<i>Note: Includes access to power. If lighting required refer additional fees below.</i>				
	✓ 30.00		Partial Cost Recovery	
Oval (Not for Profit / Non Government & Youth Service Providers) - per hour				
	✓ 45.00		Full Cost Recovery	
Oval (Commercial / Government/Private) - per hour				
	✓ 150.00		Partial Cost Recovery	
Oval (Not for Profit / Non Government & Youth Service Providers) - per day (Does not include light use)				
	✓ 350.00		Full Cost Recovery	
Oval (Commercial / Government / Private) - per day				
Ovals (Includes Wyndham, Kununurra and Ag Society Oval).				
	✓ 150.00		Partial Cost Recovery	
Oval Surrounds (Not for Profit / Non Government & Youth Service Providers) - per day				
	✓ 300.00		Full Cost Recovery	
Oval Surrounds (Commercial / Government / Private) - per day				
Oval Lights				
	✓ 15.50		Partial Cost Recovery	Local Government Act 1995, Part 6, Division 5, Sections 6.1.5, 6.16, 6.17, 6.18
Kununurra Oval (Not for Profit / Non Government & Youth Service Providers) - per pole, per hour				
	✓ 25.00		Full Cost Recovery	
Kununurra Oval (Commercial / Government / Private) - per pole, per hour				
	✓ 15.00		Full Cost Recovery	
Kununurra Cricket Net Lights - per hour				
	✓ 17.00		Partial Cost Recovery	
Kununurra Agricultural Society Oval - Low Level (Not for Profit/Non Government/Youth Service Providers) - per half oval, per hour				
	✓ 33.00		Full Cost Recovery	
Kununurra Agricultural Society Oval - Low Level (Commercial/Government/Private) - half oval, per hour				
	✓ 20.00		Partial Cost Recovery	
Kununurra Agricultural Society Oval - Medium Level (Not for Profit/Non Government/Youth Service Providers) - per half oval, per hour				
	✓ 40.00		Full Cost Recovery	
Kununurra Agricultural Society Oval - Medium Level (Commercial/Government/Private) - half oval, per hour				
	✓ 30.00		Partial Cost Recovery	
Kununurra Agricultural Society Oval - High Level (Not for Profit/Non Government/Youth Service Providers) - per half oval, per hour				
	✓ 48.00		Full Cost Recovery	
Kununurra Agricultural Society Oval - High Level (Commercial/Government/Private) - half oval, per hour				
	✓ 28.50		Partial Cost Recovery	
Wyndham Oval (Not for Profit / Non Government & Youth Service Providers) - per hour				
	✓ 42.00		Full Cost Recovery	
Wyndham Oval (Commercial / Government / Private) - per hour				

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN33207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Other Recreation and Sport - Facility Hire				
Sporting Activity Facility Hire (continued)				
Seasonal Oval Hire (see policy for full details)				
Note: Fee Calculation: $Oval\ use\ (formula) + light\ use\ (formula) + change\ room\ use\ (formula)$				
	✓	1.50	Full Cost Recovery	
Oval Use (per person) calculated as below:				
Formula: $Players\ per\ team\ x\ percentage\ of\ oval\ used\ x\ Oval\ use\ fee\ x\ discount\ below\ (if\ applicable)$				
Discount: $x\ 0.5\ for\ junior\ team\ (under\ 18\ years) - (.50\ discount)\ or\ discount: x\ 0.75\ for\ newly\ formed\ sporting\ groups\ (2.5\% discount)$				
	✓	1.50	Full Cost Recovery	
Light Charge - per pole, per person, per hour				
Formula: $Players\ per\ team\ x\ hours\ used\ x\ light\ charge\ x\ number\ of\ lights\ (if\ applicable)$				
	✓	1.00	Full Cost Recovery	
Change room use - per person				
Formula: $Players\ per\ team\ x\ change\ room\ use\ fee\ (if\ applicable)$				
Multipurpose Courts				
	✓	14.00	Full Cost Recovery	
	✓	11.00	Full Cost Recovery	
	✓	60.00	Full Cost Recovery	
	✓	70.00	Full Cost Recovery	
Parks				
	✓	14.00	Full Cost Recovery	Local Government Act / 1995 , Part 6, Division 5,
	✓	350.00	Full Cost Recovery	Sections 6.15, 6.16, 6.17, 6.18
Category 1 Equipment				
	✓	2.00	Full Cost Recovery	
	✓	3.00	Full Cost Recovery	
	✓	8.50	Full Cost Recovery	
	✓	12.50	Full Cost Recovery	
	✓	5.50	Full Cost Recovery	
Category 2 Equipment				
	✓	17.50	Partial Cost Recovery	
	✓	26.00	Full Cost Recovery	

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
GL	Effective 1 July 2015 GST	Effective 1 January 2016 Per regulation as at 1 July 2015		
Other Recreation and Sport - Facility Hire				
Cleaning Charges				
Should any Shire facility or equipment be left in a state deemed not acceptable, commercial cleaning will be organised with costs charged to the hirer (minimum charge \$300)	✓			
Damage Charges				
Damage to property, fixtures, fittings and equipment	✓	Actual Cost		Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
Damage to playing surfaces or grounds through misuse such as using round up/pesticides while line marking	✓	Minimum \$300		
Other Recreation and Sport - Recreation Services				
Kununurra Gymnasium				
<i>Note: Membership includes access to gymnasium only. Minimum age to gymnasium is 16 years of age.</i>				
Membership - 1 Month	✓	110.00	Full Cost Recovery	
Membership - 3 Months	✓	180.00	Full Cost Recovery	
Membership - 6 Months	✓	315.00	Full Cost Recovery	
Membership - 12 Months	✓	570.00	Full Cost Recovery	
<i>Note: Concession is available on production of proof of eligibility for concession including Disability Support Card, Australian Student Card and Seniors Concession Card.</i>				
Membership (Concession) - 1 Month	✓	85.00	Full Cost Recovery	
Membership (Concession) - 3 Months	✓	165.00	Full Cost Recovery	
Membership (Concession) - 6 Months	✓	290.00	Full Cost Recovery	
Membership (Concession) - 12 Months	✓	525.00	Full Cost Recovery	
Casual use of Gym	✓	12.00	Full Cost Recovery	
Kununurra Swimming Complex				
<i>Note: Membership includes access to swimming area's only. Minimum unaccompanied age to swimming area's is 12 years of age.</i>				
Aquatic Membership (child) - 1 Month	✓	40.00	Partial Cost Recovery	
Aquatic Membership (child) - 3 Months	✓	95.00	Partial Cost Recovery	
Aquatic Membership (child) - 6 Months	✓	150.00	Partial Cost Recovery	
Aquatic Membership (child) - 12 Months	✓	255.00	Partial Cost Recovery	
Aquatic Membership (adult) - 1 Month	✓	52.00	Partial Cost Recovery	
Aquatic Membership (adult) - 3 Months	✓	115.00	Partial Cost Recovery	
Aquatic Membership (adult) - 6 Months	✓	183.00	Partial Cost Recovery	
Aquatic Membership (adult) - 12 Months	✓	347.00	Partial Cost Recovery	

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Other Recreation and Sport - Recreation Services				
Kununurra Leisure Centre				
Note: Gold membership includes access to gymnasium, squash courts, all fitness classes, swimming pool, all aqua aerobics classes, initial and quarterly fitness program updates (for member only).				
	✓	120.00	Partial Cost Recovery	
Gold Membership - 1 Month	✓	225.00	Partial Cost Recovery	
Gold Membership - 3 Months	✓	405.00	Partial Cost Recovery	
Gold Membership - 6 Months	✓	715.00	Partial Cost Recovery	
Gold Membership - 12 Months	✓		Partial Cost Recovery	
Note: Concession is available on production of proof of eligibility for concession including Disability Support Card, Australian Student Card and Seniors Concession Card.				
Gold Membership (Concession) - 1 Month	✓	105.00	Partial Cost Recovery	
Gold Membership (Concession) - 3 Months	✓	190.00	Partial Cost Recovery	
Gold Membership (Concession) - 6 Months	✓	375.00	Partial Cost Recovery	
Gold Membership (Concession) - 12 Months	✓	615.00	Partial Cost Recovery	
Squash Membership - 6 Months	✓	250.00	Partial Cost Recovery	
Squash Membership - 12 Months	✓	400.00	Partial Cost Recovery	
Replacement membership card fee	✓	6.00	Partial Cost Recovery	
Personal Training - per hour session	✓	80.00	Partial Cost Recovery	
Personal Training - per half hour session	✓	50.00	Partial Cost Recovery	
Classes and Programs				
Recreation Programs	✓	POA	Full Cost Recovery	
Aquatic Fitness Classes	✓	12.00	Full Cost Recovery	
Fitness Classes	✓	12.00	Full Cost Recovery	
Book of 10 passes	✓	100.00	Full Cost Recovery	
Note: Passes can be used for casual entry to Gym, Fitness Classes and Aquatic Fitness Classes.				
Swimming Pools				
2 years and under (must be accompanied by a person 16 years or older - entry fee applies)		Free		
Supervisors of children 5-12 years (non swimmers)		Free		
Spectator/Amenities Charge (non swimmers)	✓	4.50	Partial Cost Recovery	
Hire of Lane Space (per lane, per hour) - not including pool entry charge per person to be charged in addition	✓	16.00	Partial Cost Recovery	

Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Other Recreation and Sport - Recreation Services				
Kununurra Leisure Centre (continued)				
Swim School				
			Partial Cost Recovery	
	✓ 35.00		Partial Cost Recovery	
	✓ 100.00		Partial Cost Recovery	Local Government Act 1995 - Part 6, Division 5,
	✓ 85.00		Partial Cost Recovery	Sections 6.15, 6.16, 6.17, 6.18
	✓ 50.00		Partial Cost Recovery	
	✓			Royal Life Saving Society
Swimming Pool Facility Hire				
	✓ 4.50		Partial Cost Recovery	
	✓ 3.50		Partial Cost Recovery	
	✓ 37.00		Partial Cost Recovery	
	✓ 68.00		Partial Cost Recovery	
	✓ 26.50		Partial Cost Recovery	Local Government Act 1995 - Part 6, Division 5,
	✓ 47.50		Partial Cost Recovery	Sections 6.15, 6.16, 6.17, 6.18
	✓ 4.50		Partial Cost Recovery	
	✓ 3.50		Partial Cost Recovery	
	✓ 37.00		Partial Cost Recovery	
	✓ 68.00		Partial Cost Recovery	
	✓ 26.50		Partial Cost Recovery	
	✓ 47.50		Partial Cost Recovery	
	✓ 4.50		Partial Cost Recovery	
	✓ 3.50		Partial Cost Recovery	
	✓ 37.00		Partial Cost Recovery	
	✓ 68.00		Partial Cost Recovery	
	✓ 26.50		Partial Cost Recovery	
	✓ 47.50		Partial Cost Recovery	
	✓ 4.50		Partial Cost Recovery	
	✓ 3.50		Partial Cost Recovery	
	✓ 37.00		Partial Cost Recovery	
	✓ 68.00		Partial Cost Recovery	
	✓ 26.50		Partial Cost Recovery	
	✓ 47.50		Partial Cost Recovery	

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FNS3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
GL				
Aerodromes (continued)				
Terminal Usage Fee				
120711	✓	21.70	Full Cost Recovery + Possible Future Consideration	
			Fee is calculated on number of seats in aircraft. (per seat)	
120721	✓	133.00	Full Cost Recovery + Possible Future Consideration	Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
			Kununurra Terminal Key Fee (per annum)	
Receipt Type (9101119)	x	115.80	Full Cost Recovery + Possible Future Consideration	
			Kununurra Terminal Security Access Card Bond	

SCHEDULE 13 - ECONOMIC SERVICES

Building Control				
	x		Building Permit Application Certified Class 1 - 10 (0.19% of the estimated value of work - but not less than \$95)	Building Regulations 2012 Schedule 2 - Fees (reg 11) Division 1 & Building Act 2011
	x		Building Permit Application Certified Class 1B, 2 - 9 (0.09% of the estimated value of work - but not less than \$95)	Building Regulations 2012 Schedule 2 - Fees (reg 11) Division 1 & Building Act 2011 (s. 16(1))
	x		Building Permit Application Uncertified Class 1A & 10 (0.32% of the estimated value of work - but not less than \$95)	Building Regulations 2012 Schedule 2 - Fees (reg 11) Division 1 & Building Act 2011 (s. 16(1))
01130310	x		Amended building License - (minimum of \$20). Note: Fees calculated on amended value	Building Regulations 1989 (part 6)
	x		Building Approval Certificate Application (for a building in respect of which unauthorised work has been carried out) (0.38% of the estimated value of work - but not less than \$95)	Building Regulations 2012 Schedule 2 - Fees (reg 11) Division 2 & Building Act 2011 (s. 52(2))
	x	95.00	Building Approval Certificate Application (for existing building where unauthorised work has not been carried out)	Building Regulations 2012 Schedule 2 - Fees (reg 11) Division 2 & Building Act 2011 (s. 52(2))
	x		Application for Hoarding, Road Closure & Permit to excavate/deposit materials on street. (\$1.00 per metre square per month)	Building Regulations 2012 Part 9 Division 3 (r. 64 (4))

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	Effective 1 July 2015	GST	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	Effective 1 January 2016	Per regulation as at 1 July 2015	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Building Control (continued)							
		x	Annual Swimming Pool Fee - \$57.45 every 4 years (charged pro-rata)		\$14.36 per annum		Building Regulations 1989 Part 10 Regulation 38F Building Regulations 2012 Part 8 Division 2 (r 53 (2))
130310		x	Application for Approval of Battery Operated Smoke Alarm		174.40		Building Regulations 2012 Part 8 Division 3 (r 61 (3)(b))
		x	Application for Variation/Modification of Building Standards in which declaration is sought from Building Commissioner		\$2,100 per standard variation		Building Regulations 2012 Part 9 Division 3 (r 64 (4))
		✓	Inspection Fees (for third party requests)		241.40		Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
		x	Building Services Levy for Building Permit (Minimum \$61.65 and 0.137% of work value exceeding \$45,000)		Calculation (minimum fee \$61.65)		Set by Building (Services) Act 2011 and Building Services Commission
		x	Building Services Levy for Demolition Permit (Minimum \$61.65 and 0.137% of work value exceeding \$45,000)		Calculation (minimum fee \$61.65)		Set by Building (Services) Act 2011 and Building Services Commission
		x	Building Services Levy for Occupancy Permit (Minimum)		61.65		
		x	Building Services Levy for Building Approval Certificate (Minimum)		61.65		
		x	Building Services Levy for Unauthorised Building Work (Minimum \$123.30 and 0.274% of work value exceeding \$45,000)		Calculation (minimum fee \$123.30)		Set by Building (Services) Act 2011 and Building Services Commission
		x	Construction Industry Training Fund (0.2% of construction value over \$20,000)		Calculation		Set by Construction and Training Industry group.
1130311		✓	Retrieval and research fee for building information / documentation (per hour - one hour minimum). <i>Note-freedom of information restrictions may apply (additional fees apply for copying)</i>		64.10		Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
1130312		x	Change of Ownership Advices (via settlement agents) - Building - per lot		81.90		
Signage Approvals - Standard Signs							
		✓	Pylon Sign		35.70		Full Cost Recovery
		✓	Illuminated Sign		30.50		Full Cost Recovery
		✓	Hoardings per annum		60.90		Full Cost Recovery
		✓	Portable sign		30.50		Full Cost Recovery
		✓	Development sign		30.50		Full Cost Recovery
		✓	Any other sign		17.90		Full Cost Recovery
Signage Approvals - Non Standard Signs							
		✓	Pylon Sign		72.50		Full Cost Recovery
		✓	Illuminated Sign		60.90		Full Cost Recovery
		✓	Hoardings per annum		120.70		Full Cost Recovery

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
	Effective 1 July 2015	Effective 1 January 2016	Per regulation as at 1 July 2015	
Building Control (continued)				
Signage Approvals - Non Standard Signs (continued)				
	✓	60.90		Full Cost Recovery
Portable sign				
Development sign	✓	60.90		Full Cost Recovery
Any other sign	✓	30.50		Full Cost Recovery
Instructional Sign	✓	17.90		Full Cost Recovery
Confiscated sign	✓	30.50		Full Cost Recovery
Supply of Generic Engineering Footing Specification Detail (per set)				
Sea Containers	✓	60.90		Full Cost Recovery
Shade Sails	✓	60.90		Full Cost Recovery
Deposit to Repair Damage to Footpath, Kerb, Road or Road Reserve (Footpath and kerb bond)				
Single Residential Block, having one street boundary	x	579.30		Full Cost Recovery
Single Residential Block, having two street boundaries	x	694.70		Full Cost Recovery
Duplex Block, having one street boundary	x	694.70		Full Cost Recovery
Duplex Block, having two street boundaries	x	810.10		Full Cost Recovery
Multi Residential Block, up to maximum	x	1,215.10		Full Cost Recovery
Services Trades and Commercial, up to maximum	x	1,851.00		Full Cost Recovery
Water Supply/Reticulation Charges				
0021	x	0.80		Full Cost Recovery
				Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
SCHEDULE 14 - OTHER PROPERTIES AND SERVICES				
Private Works				
Road Closure Approval for Public Events				
	✓	92.40 + 15%		Partial Cost Recovery
				Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
	✓	185.30 + 15%		Full Cost Recovery
				Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
Traffic Management Signage and Temporary Fencing				
	✓	6.30 + 15%		Full Cost Recovery
				Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
	✓	160.60 + 15%		Full Cost Recovery
				Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
	✓	6.30 + 15%		Partial Cost Recovery
				Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
	x	579.30		Full Cost Recovery
				Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN33207)	Effective 1 July 2015	GST	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	Effective 1 January 2016	Per regulation as at 1 July 2015	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Private Works (continued)								
Crossover Subsidy								
Each application must be assessed for eligibility in accordance with Council Policy CPI/OPS-3653 Vehicle Crossover Subsidy, prior to subsidy being provided	x		2,500.00					Local Government (Uniform Local Provisions) Regulations 1996, Regulation 15; GST Exempt: (A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1))
Directional Signage								
Purchase of signs and installation	✓		Actual Costs + 15%				Full Cost Recovery	
Assessment of Applications								
eg. cattle grids, private works requests	✓		148.50 + 15%				Full Cost Recovery	
Labour Rates								
Supervisor (per hour)	✓		148.50 + 15%				Full Cost Recovery + Possible Mark Up	
Labor (per hour)	✓		91.30 + 15%				Full Cost Recovery + Possible Mark Up	
Labor T1.5 (as per Enterprise Agreement) - per hour	✓		136.95 + 15%				Full Cost Recovery + Possible Mark Up	
Labor T2.0 (as per Enterprise Agreement) - per hour	✓		182.60 + 15%				Full Cost Recovery + Possible Mark Up	
Inspection less than 1 hour out of the office	✓		148.50 + 15%				Full Cost Recovery + Possible Mark Up	
Inspection for each additional hour out of the office	✓		148.50 + 15%				Full Cost Recovery + Possible Mark Up	Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
Public Events (Traffic Management Plan Review)	✓		200.00 + 15%				Full Cost Recovery + Possible Mark Up	
Public Events (Traffic Management Plan Review) - Not for Profit/ Community Organisations	✓		100.00 + 15%				Full Cost Recovery + Possible Mark Up	
Plant Rates								
WY 26224 - John Deere 1565 Front Deck Ride On Mower With 72 Mulching Deck - Per Day	✓		90.00 + 15%				Full Cost Recovery + Possible Mark Up	
WY26287 - 2013 John Deere 326D Skidsteer - wheeled model	✓		330.00 + 15%				Full Cost Recovery + Possible Mark Up	
Skidsteer - tracked model	✓		530.00 + 15%				Full Cost Recovery + Possible Mark Up	
WY26291 - 2013 John Deere 1565 4WD Ride on Mower With 72" Mulching Deck - Per Day	✓		90.00 + 15%				Full Cost Recovery + Possible Mark Up	
WY11160 - Mitsubishi Tipper 10 Tonne Truck - Per Hour - Including Operator	✓		110.00 + 15%				Full Cost Recovery + Possible Mark Up	

SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Private Works (continued)				
Plant Rates (continued)				
WY11160 - Mitsubishi Tipper 10 Tonne Truck - Per Month - Excluding Operator	✓ 15,386.00 + 15%		Full Cost Recovery + Possible Mark Up	
WY11719 - Kubota M6800 Loader Tractor - Per hour	✓ 135.00 + 15%		Full Cost Recovery + Possible Mark Up	
IDBW601 - Fuso 3 Tonne Tip Truck - Per hour	✓ 100.00 + 15%		Full Cost Recovery + Possible Mark Up	
WY14960 - Kubota M Series Tractor M9540DHC - Per day (with slasher)	✓ 375.00 + 15%		Full Cost Recovery + Possible Mark Up	
Silvan Shireboss 6' Slasher for use with Kubota M9540D Tractor P382 - Per hour	✓ 125.00 + 15%		Full Cost Recovery + Possible Mark Up	
WY25031 - 2011 Kubota M Series M135XDC Tractor - Per hour	✓ 125.00 + 15%		Full Cost Recovery + Possible Mark Up	
2011 BEN WYE Piranha 5000 SM Flexwing Slasher - Per hour	✓ 125.00 + 15%		Full Cost Recovery + Possible Mark Up	
2011 BEN WYE Piranha 2600 8' Slasher - Per hour	✓ 125.00 + 15%		Full Cost Recovery + Possible Mark Up	
IEPX320 - 2013 Fuso Canter 815 - 3T Tipper Truck - Per hour	✓ 100.00 + 15%		Full Cost Recovery + Possible Mark Up	
WY0 - Grader John Deere 670G 2009 - Per hour	✓ 185.00 + 15%		Full Cost Recovery + Possible Mark Up	
WY14004 - John Deere Backhoe Loader - Per hour	✓ 135.00 + 15%		Full Cost Recovery + Possible Mark Up	
WY15724 - Trailer Cobra Jetter - Graffiti Remover - Per Day	✓ 188.00 + 15%		Full Cost Recovery + Possible Mark Up	
ITLM265 - 2010 Vermeer BC1000XL Wood Chipper - 100mm thickness	✓ 159.00 + 15%		Full Cost Recovery + Possible Mark Up	
IDPD787 - Front End Caterpillar Loader 950H WITH 3.1M GP Bucket - Per hour	✓ 135.00 + 15%		Full Cost Recovery + Possible Mark Up	
WY25065 John Deere Ride on Mower 1565 Series 11 4WD with 72" Deck - Per day	✓ 90.00 + 15%		Full Cost Recovery + Possible Mark Up	
WY25658 - Kubota BX2360DV Tractor - Per day	✓ 375.00 + 15%		Full Cost Recovery + Possible Mark Up	
IEHW733 - 2013 UD 10m Tip Truck - Per hour	✓ 110.00 + 15%		Full Cost Recovery + Possible Mark Up	
Rapid-Flood 10,000 Litre Water Tank - Per hour	✓ 135.00 + 15%		Full Cost Recovery + Possible Mark Up	

Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18

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SHIRE OF WYNDHAM EAST KIMBERLEY

2015-16

Fees and Charges

Charge Type Code (If Sundry Debtor invoicing permitted to approved account holders under policy CP FN-3207)	COUNCIL CHARGE GST INCLUSIVE (WHERE INDICATED ✓)	STATUTORY CHARGE	PRICING BASIS REFERENCE (TARGET)	LEGISLATIVE REFERENCE
Private Works (continued)				
Plant Rates (continued)				
2012 Caterpillar 953D WHA - LBPO1483 Track Loader - Per hour	✓ 135.00 + 15%		Full Cost Recovery + Possible Mark Up	
ICGF957 2006 Isuzu 3T Truck NPR 300 Tipper - Per hour	✓ 100.00 + 15%		Full Cost Recovery + Possible Mark Up	
John Deere Tractor 5325 Wyndham Depot WY12280 - Per hour	✓ 100.00 + 15%		Full Cost Recovery + Possible Mark Up	
Case 580SR II Loader Backhoe Wyndham ICWM013 - Per day	✓ 375.00 + 15%		Full Cost Recovery + Possible Mark Up	
WY13511 - Isuzu 4x2 Tray Tipper F5R850 - Per hour	✓ 135.00 + 15%		Full Cost Recovery + Possible Mark Up	
Line Marking Machine (push machine) - Per day	✓ 66.00 + 15%		Full Cost Recovery + Possible Mark Up	Local Government Act 1995, Part 6, Division 5, Sections 6.15, 6.16, 6.17, 6.18
Chain Saw - 12" model - Per day	✓ 104.00 + 15%		Full Cost Recovery + Possible Mark Up	
Chain Saw - 18" model - Per day	✓ 136.00 + 15%		Full Cost Recovery + Possible Mark Up	
Car Trailers - Per day	✓ 115.00 + 15%		Full Cost Recovery + Possible Mark Up	
Cage Trailer (6x4) - Per day	✓ 47.00 + 15%		Full Cost Recovery + Possible Mark Up	
Cage Trailer (8x5) - Per day	✓ 72.00 + 15%		Full Cost Recovery + Possible Mark Up	

SHIRE of WYNDHAM | EAST KIMBERLEY



Council Policy Number: CP/FIN-3201 Significant Accounting Policies

OBJECTIVE:

To provide the basis for Council's accounting concepts and annual reporting guidelines. To maintain accounting reporting procedures that complies with statutory requirements and demonstrates Council's financial position.

POLICY:

(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 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. A separate statement of those monies appears at Note 19 to these financial statements.

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 intentions to release for sale.

(g) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

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

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

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

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

(i) that are plant and equipment; and

(ii) that are –

(I) land and buildings; or

(II) infrastructure;

and

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

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

In 2013, 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 was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

Initial Recognition and Measurement between Mandatory Revaluation Dates All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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

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** only become applicable until the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology in previous reporting period (year ended June 2013), the Council chose to early adopt AASB 13 (as allowed for in the standard).

Heavy Plant	10 years
Minor Plant	7 to 10 years
Town Roads	10 to 45 years
Rural Roads	10 to 40 years
Runways/ Aprons / Taxiways	25 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 in the period in which they arise.

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) Fair Value of Assets and Liabilities

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

Fair Value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

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

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed

using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(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 cost.

Amortised cost is calculated as:

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

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

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

Assets in this category are classified as current assets

(ii) *Loans and receivables*

interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in **Note 17**.

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

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

(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 the 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.

(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, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(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.

(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.

Council’s assessment of these new standards and interpretations is set out below:

	Title	Issued	Applicable (*)	Impact
(i)	AASB 9 – Financial Instruments	December 2013	1 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.
(ii)	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 2013	1 January 2017	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).
iii)	AASB 2011 – 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities] [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 131, 138, 139, 1023 &	December 2012	1 January 2014	Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128. It is not expected to have a significant impact on Council.

	1038 and Interpretations 5, 9, 16 & 17]			
(iv)	AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	1 January 2014	<p>This Standard adds application guidance to AASB 132: Financial Instruments: Presentation 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 the Council’s financial statements.</p>
(v)	AASB 2013-3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	June 2013	1 January 2014	<p>This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets.</p> <p>It is not expected to have a significant impact on Council.</p>
(vi)	AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured	October 2013	1 January 2014	<p>This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit</p>

	Entities [AASB 10, 12 & 1049]			entities. It is not expected to have a significant impact on Council.
(vii)	AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]	December 2013	Refer Title column	Part A of this standard makes various editorial corrections to Australian Accounting Standards. Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031. Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value. As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.

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

(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 10	AASB 128	AASB 2012-2
AASB –11	AASB 2011-7	AASB 2012-3

AASB –12

AASB 2011-9

AASB 2012-5

AASB 119

AASB 2011-10

AASB 2012-10

AASB 127

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

POLICY ADMINISTRATION

Directorate		Officer Title			
Corporate Services		Director Corporate Services			
Date Effective	17/07/1997				
Date Adopted	17/07/1997	Last Reviewed		September 2014	
Risk Rating	Low	Review Cycle	Annual	Next Due	July 2015
Organisational Compliance	Annual Financial Report Annual Adopted Budget				
Process Links	Financial Management Policies, Procedures and Practices.				



POLICY NO	CP/FIN-3201	
POLICY	Significant Accounting Policies	
RESPONSIBLE DIRECTORATE	Corporate Services	
RESPONSIBLE OFFICER	Director Corporate Services	
COUNCIL ADOPTION	Date: 25 August 2015	Resolution No:
REVIEWED/MODIFIED	Date: 7 August 2012	Resolution No: 9846
	Date: 1 August 2013	Resolution No: 10157
	Date: 2 September 2014	Resolution No: 10554
REVIEW DUE	Date: August 2016	
LEGISLATION	<i>Australian Accounting Standards</i> <i>Australian Accounting Interpretations</i> <i>Local Government Act 1995 and Regulations</i>	
RELATED POLICIES	1. CP/FIN-3203 Investment Policy	
RELATED ORGANISATIONAL DIRECTIVES	1. Non-Current Asset Capitalisation and Depreciation Control (under development)	

PURPOSE:

The purpose of this Policy is to provide the basis for Council's accounting concepts and annual reporting and budget preparation guidelines and to maintain accounting reporting procedures that complies with statutory requirements and demonstrates the Shire's financial position.

DEFINITIONS:

AAS means the Australian Accounting Standards made and amended from time to time by the Australian Accounting Standards Board.

Australian Accounting Standards Board means the body corporate of that name continued by the *Australian Securities and Investments Commission Act 2001* (Commonwealth).

Council means the council of the Shire of Wyndham East Kimberley.

Municipal Fund means all money and the value of all assets received or receivable by a local government are to be held and brought to account in its municipal fund unless required by the *Local Government Act 1995* or any other written law to be held in the trust fund.

Trust Fund means a local government is to hold in the trust fund all money or the value of assets that are required by the *Local Government Act 1995* or any other written law to be credited to that fund, and held by the local government in trust.

POLICY STATEMENTS:

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 19 (***relevant Note number to be inserted depending on document being produced***) to this budget document/financial statements.

(b) 2014/15 Actual Balances (*paragraph to be removed for the financial statements*)

Balances shown in this budget as 2014/15 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

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

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

(e) Goods and Services Tax

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

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

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

(f) Superannuation

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

(g) Cash and Cash Equivalents

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 7 – Net Current Assets (*Remove Note 7 – Net Current Assets and include “statement of financial position” when preparing the financial report*).

(h) Trade and Other Receivables

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

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

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

(i) Inventories

General

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

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

Land Held for Resale

Land purchased for development and 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 profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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

(j) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the *Local Government (Financial Management) Regulations 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 –
 - (I) land and buildings; or
 - (II) infrastructure; and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

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

In 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

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

Land Under Control

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

Whilst they were initially recorded at cost (being fair value at the date of acquisition (deemed cost) as per AASB 116) these assets were revalued along with other items of Land and Buildings at 30 June 2014 and now form part of Land and Buildings to be subject to regular revaluation as detailed above.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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

Transitional Arrangement (to be removed for financial reports)

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Shire 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.

Land Under Roads

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

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

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

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

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

GROUP	CLASS	NUMBER OF YEARS
Roads	Sealed Roads – Formation	Infinite – Not Depreciated
	Sealed Roads – Pavement Under Seal	70
	Sealed Roads – Wearing Course – Chip Seal	25
	Sealed Roads – Wearing Course – Asphalt	40
	Unsealed Roads – Formation	Infinite – Not Depreciated
	Unsealed Roads – Pavement	15
	Kerbs and Channel	50
Drainage	Road Furniture and Signs	10
	Underground Pipes	75
Airfields	Retarding Basins	Infinite – Not Depreciated
	Airfield – Formation	Infinite – Not Depreciated
	Airfield – Pavement Under Seal	80
	Airfield – Wearing Course – Chip Seal	25
	Airfield – Wearing Course – Asphalt	40
	Airfield – Lighting	20
Bridges	Airfield – Fencing	30
	Bridges	100
Footpaths	Culverts	100
	Footpath	45

GROUP	CLASS	NUMBER OF YEARS
Infrastructure Other	Car Parks – Formation	Infinite – Not Depreciated
	Car Parks – Pavement Under Seal	70
	Car Parks – Wearing Course – Chip Seal	25
	Car Parks – Wearing Course – Asphalt	40
	Jetties and Pontoons	40
	Boat Ramps	50
	Reticulation Systems (Pipes, Pumps, Controllers)	20
	Playground Equipment	10
	Outdoor Furniture	20
	Sporting/Play Area – Minor Structures	10
	Sporting Facilities – Hardcourt/Skate Park	20
	Sporting Facilities – Fencing	30
	Sporting Facilities – Lighting	20
Sporting Facilities – Swimming Pools	50	
Land and Building	Land	Infinite – Not Depreciated
	Landfill Refuse (Land Component Only)	30
	Brick/Concrete Buildings	40
	Transportable Buildings	10
	Steel Construction Buildings	35
	Ancillary Structures to Buildings	10
Furniture and Equipment	ICT – Computer Equipment	3
	ICT – Office Equipment/Systems	5
	Office Furniture	10
	Kitchen Equipment	5
	Fitouts	20
Plant and Equipment	Light Plant	3
	Medium Plant	7
	Sport and Recreation Equipment	7
	Other Plant/Equipment	10
	Heavy Plant	10

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period in which they arise.

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.

(k) Fair Value of Assets and Liabilities

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

Fair Value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

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

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the *Local Government (Financial Management) Regulations* requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(l) Financial Instruments

Initial Recognition and Measurement

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

Amortised cost is calculated as:

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

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

i. Financial assets at fair value through profit and loss

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets

ii. Loans and receivables

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

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

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Shire’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 payments.

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

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

v. Financial liabilities

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

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

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

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

(m) Impairment

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

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

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

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

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2016 (*remove paragraph for financial reports*).

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document (*remove paragraph for financial reports*).

(n) Trade and Other Payables

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

(o) Employee Benefits

Short-Term Employee Benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits

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

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(p) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

(q) Provisions

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

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

(r) Leases

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

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

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

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

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

(s) Investments in Associates

An associate is an entity over which the Council has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the budget/financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

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

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

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(t) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17 (*insert relevant Note number depending on document being prepared*).

(u) Current and Non-Current Classification

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

(v) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented (*remove paragraph for budget document*).

(w) Budget Comparative Figures

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

(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 Shire.

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

	Title	Issued	Applicable (*)	Impact
(i)	AASB 9 – Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the standard will have any material effect.

	Title	Issued	Applicable (*)	Impact
(ii)	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]	September 2012	1 January 2018	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Shire (refer (i) above).
(iii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.</p>
(iv)	AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative date: Part C Financial Instruments – 1 January 2015]	December 2013	Refer title column	<p>Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.</p> <p>As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.</p>

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

	Title	Issued	Applicable (*)	Impact
(vi)	AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.
(vii)	AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15. It will require changes to reflect the impact of AASB 15.

	Title	Issued	Applicable (*)	Impact
(viii)	AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures.</p>
(ix)	AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	<p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.</p> <p>It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.</p>

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

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

(y) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

- AASB 2011-7
- AASB 2012-3
- AASB 2013-3
- AASB 2013-8
- AASB 2013-9 Parts A & B

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

EXPLANATORY NOTES:

This Policy is to be used for both the preparation of the budget and the financial reports, therefore the words budget or financial report outlined above within the Policy, will be used dependent upon the document that is being produced.

RISK:

Risk: Failure to comply with legislative requirements leading to damage of reputation and/or financial loss.

Control: Review policies and procedures in accordance with review schedule.



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

OBJECTIVE:

Statement of intent

The purpose of this Policy is to outline the Council's principles and methodology when exercising the Council's discretionary powers to determine the level and structure of rates levied under the Local Government Act 1995.

The Council believes that overall policy must be underpinned by sound principles, which are well understood, communicated to ratepayers and compliant with current legislation.

The Council aspires to balance service levels in accordance with the needs and expectations of its community and sets taxation levels (rating) to adequately resource its roles and responsibilities.

In determining rates, the Council gives primary consideration to its strategic directions, budget considerations, the current economic climate, other external factors and likely impacts upon the community.

POLICY:

Scope & Limitations

The Local Government Act 1995 provides the Council with defined discretionary powers to levy rates and require contributions from the community for the provision of services to the district.

The rating principles outlined within this Policy are to apply to all rateable land within the Shire of Wyndham East Kimberley.

The applicable legislation in reference to limitations is section 6.26 of the Local Government Act 1995 which outlines land that is not rateable, and is therefore exempt from rates Section 6.26 states:-

6.26. Rateable land

- (1) *Except as provided in this section all land within a district is rateable land.*
- (2) *The following land is not rateable land —*
 - (a) *land which is the property of the Crown and —*
 - (i) *is being used or held for a public purpose; or*
 - (ii) *is unoccupied, except —*



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

- (I) where any person is, under paragraph (e) of the definition of **owner** in section 1.4, the owner of the land other than by reason of that person being the holder of a prospecting licence held under the Mining Act 1978 in respect of land the area of which does not exceed 10 ha or a miscellaneous licence held under that Act; or
- (II) where and to the extent and manner in which a person mentioned in paragraph (f) of the definition of **owner** in section 1.4 occupies or makes use of the land;
- and
- (b) land in the district of a local government while it is owned by the local government and is used for the purposes of that local government other than for purposes of a trading undertaking (as that term is defined in and for the purpose of section 3.59) of the local government; and
- (c) land in a district while it is owned by a regional local government and is used for the purposes of that regional local government other than for the purposes of a trading undertaking (as that term is defined in and for the purpose of section 3.59) of the regional local government; and
- (d) land used or held exclusively by a religious body as a place of public worship or in relation to that worship, a place of residence of a minister of religion, a convent, nunnery or monastery, or occupied exclusively by a religious brotherhood or sisterhood; and
- (e) land used exclusively by a religious body as a school for the religious instruction of children; and
- (f) land used exclusively as a non-government school within the meaning of the School Education Act 1999; and
- (g) land used exclusively for charitable purposes; and
- (h) land vested in trustees for agricultural or horticultural show purposes; and
- (i) land owned by Co-operative Bulk Handling Limited or leased from the Crown or a statutory authority (within the meaning of that term in the Financial Management Act 2006) by that co-operative and used solely for the storage of grain where that co-operative has agreed in writing to make a contribution to the local government; and
- (j) land which is exempt from rates under any other written law; and
- (k) land which is declared by the Minister to be exempt from rates.



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

- (3) *If Co-operative Bulk Handling Limited and the relevant local government cannot reach an agreement under subsection (2)(i) either that co-operative or the local government may refer the matter to the Minister for determination of the terms of the agreement and the decision of the Minister is final.*
- (4) *The Minister may from time to time, under subsection (2)(k), declare that any land or part of any land is exempt from rates and by subsequent declaration cancel or vary the declaration.*
- (5) *Notice of any declaration made under subsection (4) is to be published in the Gazette.*
- (6) *Land does not cease to be used exclusively for a purpose mentioned in subsection (2) merely because it is used occasionally for another purpose which is of a charitable, benevolent, religious or public nature.*

In determining the methodology of how rates will be applied, the Council is to consider the basis of rates in accordance with section 6.28 of the Local Government Act 1995 which states:

6.28. Basis of rates

- (1) *The Minister is to —*
 - (a) *determine the method of valuation of land to be used by a local government as the basis for a rate; and*
 - (b) *publish a notice of the determination in the Government Gazette.*
- (2) *In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be —*
 - (a) *where the land is used predominantly for rural purposes, the unimproved value of the land; and*
 - (b) *where the land is used predominantly for non-rural purposes, the gross rental value of the land.*
- (3) *The unimproved value or gross rental value, as the case requires, of rateable land in the district of a local government is to be recorded in the rate record of that local government.*
- (4) *Subject to subsection (5), for the purposes of this section the valuation to be used by a local government is to be the valuation in force under the Valuation of Land Act 1978 as at 1 July in each financial year.*
- (5) *Where during a financial year —*
 - (a) *an interim valuation is made under the Valuation of Land Act 1978; or*



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

- (b) a valuation comes into force under the Valuation of Land Act 1978 as a result of the amendment of a valuation under that Act; or
- (c) a new valuation is made under the Valuation of Land Act 1978 in the course of completing a general valuation that has previously come into force,
the interim valuation, amended valuation or new valuation, as the case requires, is to be used by a local government for the purposes of this section.

In determining the differential general rates, the Council must consider section 6.33 and section 6.35 of the Local Government Act 1995 which states:

6.33. Differential general rates

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —
 - (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or
 - (b) a purpose for which the land is held or used as determined by the local government; or
 - (c) whether or not the land is vacant land; or
 - (d) any other characteristic or combination of characteristics prescribed.
- (2) Regulations may —
 - (a) specify the characteristics under subsection (1) which a local government is to use; or
 - (b) limit the characteristics under subsection (1) which a local government is permitted to use.
- (3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

6.35. Minimum payment

- (1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.
- (2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

- (3) *In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —*
- (a) *50% of the total number of separately rated properties in the district; or*
 - (b) *50% of the number of properties in each category referred to in subsection (6),*
- on which a minimum payment is imposed.*
- (4) *A minimum payment is not to be imposed on more than the prescribed percentage of —*
- (a) *the number of separately rated properties in the district; or*
 - (b) *the number of properties in each category referred to in subsection (6),*
- unless the general minimum does not exceed the prescribed amount.*
- (5) *If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.*
- (6) *For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —*
- (a) *to land rated on gross rental value; and*
 - (b) *to land rated on unimproved value; and*
 - (c) *to each differential rating category where a differential general rate is imposed.*

Background

This Policy has been developed within the context of the Shire of Wyndham East Kimberley's Strategic Community Plan and Corporate Business Plan. In setting rates, the Council considers the long term vision for the Shire, strategic directions, financial sustainability and the likely impacts on the community.

Rates are based on property values and are therefore a property tax. Under the Valuation of Land Act 1978, the Valuer-General must maintain valuation rolls of rateable and taxable land throughout Western Australia. These rolls are periodically provided to the Shire for rating purposes. On behalf of the Valuer-General, Property & Valuations Services, Landgate (the Western Australian Land Information Authority), conducts general valuations (revaluations) and makes interim valuations as required.

The types of values made are:

- 1. Unimproved Value (UV), and*
- 2. Gross Rental Value (GRV).*



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

The unimproved value and gross rental value are defined within the Valuation of Land Act 1978.

The Shire has no role in the process of determining the valuations attributed to each property. All land within the Shire is rateable except for land specifically exempt under section 6.26 of the Local Government Act as outlined above and the Council's Rates Exemption Policy for Charitable Organisations (Non-Rateable Land).

The Council determines the amount of revenue required from rates collections each year to meet its financial, strategic, operational and statutory responsibilities for the coming financial year.

Valuations are not the sole factor in determining the rates income of the Shire, and as a result, valuations increases or decreases do not necessarily cause a rate rise or reduction.

Guiding Statement

The Council will consider the following principles (not necessarily listed in priority order) when developing, maintaining and applying its rating methodology:

1. Equity
2. Incentive
3. Administrative Efficiency
4. Compliance
5. Sustainability

1. EQUITY

Equity is the concept of fairness within property rating in order to achieve an equitable distribution of the rate burden across the community. A differential rating structure can assist in achieving an equitable imposition of rates and charges. The equity principle includes consideration of property wealth tax, user benefit and capacity to pay principles.

a. Property Wealth Tax

The Council is limited to taxing one component of wealth, being real property. The wealth tax principle implies that rates paid are dependent upon the value of a ratepayer's real property and does not necessarily have any correlation to the individual ratepayer's consumption of services or the perceived benefits derived by individual ratepayers from the expenditures funded from rates. Some moderation of the effect of property value on the



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

level of rates paid through differential rates may be required to make the rating system more equitable.

b. User Benefit

Evaluating the relative benefits received by various classes of property raises many practical difficulties, in particular, trying to trace quantifiable consumption/benefits to particular types of properties. The analysis is often reduced to arguments of what services are consumed by residential versus farm, commercial/industrial versus residences, and between different towns. Clearly the exercise is not clear cut – for example, it might be argued that rural ratepayers derive less benefit from library services than their town counterparts but the reverse may be argued with respect to the costs of constructing or repairing long lengths of local roads to service a small number of properties. It is therefore recognised that the services provided by the Shire benefit the community as a whole.

c. Capacity to Pay

The relativity of rates paid by each property category is to be considered in relation to their respective capacity to pay. Ratepayers with higher value properties generally have a higher wealth and a greater capacity to pay. However, as rates are levied on unrealised wealth in the form of real property their nexus with ratepayer's capacity to pay may be more tenuous. The Council acknowledges that property rates do not recognise that individual ratepayers within a rating category can be "asset rich" and "income poor". While income and goods and services taxes are more reflective of capacity to pay, it is not possible to expect a property rating system to deal practically with all aspects of capacity to pay based on individual households and businesses.

Rating instruments such as differential rates are available to reflect the differing capacity of classes to pay. For example, higher differential rates may reflect the ability of a class of property to obtain concessions from the tax deductibility of rates or the income producing capacity of the class of property.

2. INCENTIVE

Rate setting objectives may be used to support the Council's social, environmental, or economic goals as part of a longer term strategy within the Strategic Community Plan. For example, rates can be altered to encourage business activity, the development of vacant land or environmentally sustainable improvements in order to achieve "Greater returns from regional investment to ensure sustainable



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

provision of appropriate physical and social infrastructure” as outlined in Goal 2 of the Strategic Community Plan 2012-2022.

3. ADMINISTRATIVE EFFICIENCY

The Council will endeavour to establish a rating system that:-

- a. Promotes simplicity, transparency and understanding; and*
- b. Is efficient in administering, issuing of assessments, collection of rates, monitoring outcomes, debt recovery, and reduces the incidences of avoidance; and*
- c. Reduces complexity; and*
- d. Is open to scrutiny.*

4. COMPLIANCE

The Council will apply its discretionary powers in compliance with the Local Government Act 1995 and associated regulations, while seeking to maximise rate revenue within the adopted rating framework.

5. SUSTAINABILITY

The Council will make decisions that support the financial strategies for the delivery of infrastructure and services identified in the Strategic Community Plan and underpinned by the Long Term Financial Plan, the Asset Management Strategy and other informing plans and strategies.

APPLICATION OF PRINCIPLES

1. APPLICATION OF THE EQUITY PRINCIPLE

1.1. Differential Rating

The Council has a diverse mix of geographically located and land use properties. The Council therefore applies differential rating to ensure greater equity and contribution from rates according to land use, zoning or a combination of these.

1.1.1. Alignment with Town Planning Scheme No. 7 Kununurra and Environs, and Town Planning Scheme No. 6 Wyndham Townsite

As far as possible, an objective assessment of the predominant use of land will be utilised to determine the appropriate rating category for each property. This will be done in a manner whereby the community will be able to understand how and why a particular determination has been made and will therefore utilise the Town Planning Scheme No.7 for



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

Kununurra and Environs (TPS7) and Town Planning Scheme No 6 for the Wyndham Townsite (TPS6).

Where the zoning and land uses are amended in either Town Planning Schemes, or TPS7 or TPS6 are superseded, then this Policy will be reviewed, and the new zones and land uses will be considered when amending the rating system for the following financial year.

The symbols used in the cross reference in the Zoning Table (Appendix A) have the following meanings as defined in TPS7 and TPS6:

'P' means that the use is permitted provided it complies with the relevant standard and requirements laid down in the Scheme and all conditions (if any) imposed by the Council in granting Planning Approval;

'IP' means a use that is not permitted unless such use is incidental to the predominant use of the land as determined by the Council;

'AA' means that the Council may, at its discretion, permit the use;

'SA' means that the Council may, at its discretion, permit the use after notice of application has been given in accordance with Clause 11.2 of TPS7 and Clause 10.2 of TPS6;

'X' means a use that is not permitted by the Scheme.

While Appendix A may indicate that a particular land use is not permitted in a particular zone by the Scheme, this Policy, as in both of the Town Planning Schemes, recognises non-conforming use rights whereby the rating differential category would be considered to be that applicable if the land use was permitted within the particular zone.

Where the land is being predominantly used for a purpose that is not specifically mentioned in the Zoning Table, the Shire will attempt to align it to a land use that is mentioned.

Any land listed as a Special Site in either TPS7 or TPS6 will be aligned to the rating category that best defines its predominant use. For example, any land within the Airport Special Site Zone will be deemed to be operating commercially, and therefore be GRV Commercial rated.

Where the predominant use of the land is for non-rural purposes, the Council will seek to have the land valued on a GRV basis. Where the predominant use of land is for rural purposes, the Council will seek to have the land valued on a UV basis.



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

1.1.2. Spot Rating

The Council may seek Ministerial approval for a spot valuation where there are a number of lots within a valuation area that are used for purposes that are inconsistent with the predominant use of land within that valuation area. For example, in a predominantly rural area valued on UV, there are a number of non-rural uses including service stations, road houses, tourist accommodation and small, commercial or industrial operations. The Council may, depending on the circumstances, seek Ministerial approval to apply a GRV to these properties.

The Council has determined that spot valuations can be effective in promoting rating equity by ensuring that properties with similar uses are rated on the same method of valuation regardless of their location within the district. However, the Council also recognises that they can be more labour intensive and less administratively efficient than other options, therefore each will be considered on a case by case basis.

1.1.3. Split Rating

Split rating non-rural uses on unimproved land is also permitted which effectively isolates the non-rural use from the remainder of the property, whereby one land parcel would reflect the rural use and the other land parcel would reflect the non-rural use. Council has determined not to implement split rating at this stage based on the cost of its implementation and ongoing administration.

1.2. Specified Area Rate

The Council is able to impose a Specified Area Rate to meet the cost of undertaking specific work, providing a service or facility if the Council considers that the ratepayers or residents within that area will:

- Have benefited or will benefit from; or
- Have access to or will have access to; or
- Have contributed or will contribute to the need for,

that work, service or facility.

The Council will consider its options to set a Specified Area Rates, if appropriate, when developing its Rating Strategy.



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

1.3. Interim Rating

Subject to section 6.28 of the Local Government Act 1995 and in respect of valuations supplied by the Valuer-General for the purpose of interim valuations, the Shire of Wyndham East Kimberley will back rate or refund rates to property owners where ownership:

- *Has not changed in a prior financial year to the effective date of the change as determined by the Valuer-General; or*
- *Has changed in a prior financial year, to the date of change of ownership.*

For the purposes of this Policy, a change in ownership does not occur where there is a change in the structure of a body corporate (including name change) resulting in the change having no effect on altering the effectual control of the company.

1.4. Minimum Payments

The Council will establish and maintain a minimum payment structure to ensure all ratepayers contribute a minimum amount regardless of their property value.

The Council accepts that the adoption of a minimum payment amount is an adjustment to the blanket application of the equity principle. This adjustment is made to ensure property owners make a reasonable contribution to the non-exclusive services, facilities and infrastructure provided for the benefit of the whole district.

1.5. Rates Exemptions

The Council's Rates Exemptions for Charitable Organisations Policy (Non-Rateable Land) provides an administrative framework for assessing any application for properties to be classified as non-rateable land on the grounds of being used for charitable purposes in accordance with section 6.26 of the Local Government Act 1995. Such organisations are to make application in accordance with the application form and guidelines attached to the Policy. The properties will be reviewed every two years for continued eligibility.

1.6. Rates Concessions

The Councils' Rates Concessions Policy (Rateable Land) provides an administrative framework for assessing any application requesting the waiving or granting concession from rates to 'not for profit' community based organisations occupying rateable land in accordance with Council's discretionary powers provided by section 6.47 of the Local Government Act 1995.



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

Any rates waivers or concessions will be approved for two financial years and considered during the annual budget process. The Council will re-consider rates concessions every two years.

1.7. Rates Discounts

Subject to the Rates and Charges (Rebates and Deferments) Act 1992, the Shire in accordance with the Local Government Act 1995 and Regulations, does not offer a discount for the early payment of any rate or charge.

1.8. Payment Options

The Council will offer three rate payment options as follows:

- a. Payment in full 35 days after the date of service appearing on the rate notice; or*
- b. Two instalments; or*
- c. Four instalments.*

There will be an administrative charge per instalment associated with the establishment and administering the instalment payment option, along with an interest charge to reflect the lost interest from investment opportunities that are not available due to the length of time taken to collect the payment.

1.9. Interest on Overdue Rates and Service Charges

Rates and service charges not paid in accordance with the three payment options will be subject to an overdue interest rate set by the Council in accordance with the Local Government Act 1995.

2. APPLICATION OF THE INCENTIVE PRINCIPLE

The Council will provide an incentive through a reduced rate in the dollar for GRV valued land that is improved in comparison to land that remains undeveloped in order to promote land development and assist in achieving Strategy 2.2.1 of the Strategic Community Plan being to “promote the expansion of residential and industrial land”.

3. APPLICATION OF THE EFFICIENCY PRINCIPLE

The Council will provide for changes in:-

- Level of rating; and*
- Structure of its rating policy; and*
- Application of its discretionary rating powers*

in a way that:-



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

- a. Promotes simplicity, transparency and understanding; and
- b. Is efficient in administering, issuing of assessments, collection of rates, monitoring outcomes, debt recovery, and reduces the incidences of avoidance; and
- c. Reduces complexity; and
- d. Is open to scrutiny.

4. APPLICATION OF THE COMPLIANCE PRINCIPLE

The Council will ensure compliance with the Local Government Act 1995 and all associated regulations in the establishment of its rating structure and rating model.

5. APPLICATION OF THE SUSTAINABILITY PRINCIPLE

The Council will consider the four pillars of financial sustainability in the establishment of its rating structure and associated model:

- a. Strategic and Financial Planning;
- b. Income Diversification;
- c. Sound Administration and Finance;
- d. Own Income Generation.

OBJECTS OF AND REASONS FOR DIFFERENTIAL RATES

1. GRV – RESIDENTIAL

A differential rate is applied to GRV valued land within the town site which is used primarily for residential purposes with the exception of Transient Accommodation, and as outlined in Appendix A.

The GRV differential rate for Residential will be the “base rate” from which all other differential rates that hold a GRV value will be calculated, recognising a 6.0% increase from 2013/14.

Rate in the dollar is 8.8623 cents. Minimum payment is \$1,034.00.

2. GRV – OTHER VACANT

A differential rate is applied to GRV valued land within the town site which is deemed to be vacant land (unimproved land).

Vacant land is defined in accordance with the Valuation of Land Act 1978 which states:



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

- **“vacant land”** means land on which there are no improvements other than merged improvements.
- **“merged improvements”** means any works in the nature of draining, filling, excavation, grading or levelling of the land, retaining walls or other structures or works for that purpose, the removal of rocks, stone or soil, and the clearing of timber, scrub or other vegetation.
- **“land”** means lands, tenements and hereditaments, and any improvements to land, and includes any interest in land.

Where the definitions are amended in the Valuation of Land Act 1978, those amendments will prevail. If the Valuation of Land Act 1978 is superseded, then similar terms in the new Act will prevail (in accordance with any amendments to the Local Government Act 1995).

The vacant land differential is set to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of the Council particularly as there is a different method used for the valuation of vacant land.

It is also to signify that the Council prefers land to be developed. The encouragement of development is strategically important as it has a positive effect on local employment, economic diversity and further community returns from investment in the region.

A multiplier of 1.5 times the base rate in the dollar will be applied.

Rate in the dollar is 13.2935 cents. Minimum payment is \$1,034.00.

3. GRV – COMMERCIAL

A differential rate is applied to GRV valued land which is used primarily for commercial purposes, and may include land uses such as caravan parks, fast food outlets, hotels, restaurants, boarding houses or veterinary consulting rooms as outlined in Appendix A.

The commercial sector generates high pedestrian and traffic volumes resulting in a greater impact on the provision of services, facilities and infrastructure, and is also considered to have a greater capacity to pay through rates generally being tax deductible. This sector should therefore contribute a greater share of the costs associated with economic development and marketing programs which assist and facilitate economic growth in the region; road construction; maintenance and



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

refurbishment including road drainage systems; roadside sweeping; landscaping; verge maintenance and street lighting.

In recognising the greater impact on infrastructure, facilities and services, the Council will establish the rate in the dollar at 1.1 times the base rate in the first year, with the intention to increase this each year thereafter, to be capped at 2 times the base rate over a 5 year period.

Rate in the dollar is 9.7485 cents. Minimum payment is \$1,034.00.

4. GRV – INDUSTRIAL

A differential rate is applied to GRV valued land which is used primarily for industrial purposes and as outlined in Appendix A.

This sector generates high traffic volumes with heavy loads and is considered to have a greater capacity to pay through rates generally being tax deductible. This sector should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems.

In recognising the greater impact on infrastructure in particular, the Council will recognise the rate in the dollar at 1.1 times the base rate in the first year, with the intention to increase each year thereafter, to be capped at no more than 1.7 times the base rate over a 5 year period.

Rate in the dollar is 9.7485 cents. Minimum payment is \$1,034.00.

5. UV – RURAL RESIDENTIAL

A differential rate is applied to UV valued land located outside the gazetted town site that is zoned Rural Living, Rural Smallholding and Special Rural which is used primarily for or capable of being used primarily for rural residential purposes.

Rural residential has the same meaning as the objectives of TPS7 and TPS6 for these Zones, being:-

- a. Providing for those people wishing to reside on a small rural holding (as in the case of a Rural Living Zone in TPS7); or*
- b. Providing for those people wishing to reside on rural lifestyle lots (as in the case of the Rural Smallholding Zone in TPS7); or*
- c. Providing for those people wishing to reside on a small rural holding (as in the case of the Special Rural Zone in TPS6).*

It should be noted that this is intended as a transitional rating differential category while the Shire work through a process to have these properties provided with a



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems and other infrastructure required, along with other costs associated with marketing and economic development.

It should be noted that this is intended as a transitional rating differential category while the Shire work through a process to have these properties provided with a gross rental value instead of an unimproved value given the primary purpose is commercial, industrial and/or tourism and the land owners should have been contributing more equitably to these costs.

Rate in the dollar is 0.6278 cents. Minimum payment is \$1,034.00.

8. UV – RURAL AGRICULTURE 1

A differential rate is applied to UV valued land located outside the gazetted town site which is zoned Rural Agriculture 1 or General Rural which is used or capable of being used primarily for extensive agriculture, agroforestry and/or horticulture purposes.

It is recognised that this sector has a greater impact on the road infrastructure with the heavy loads that it generates, and also that it has a greater capacity to pay through rates generally being tax deductible. This sector should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems and other infrastructure required.

This differential rating category will also be utilised for land where the land meets the objectives outlined above, but is based on a percentage of the overall lot size for which the other portion of the lot is non rateable land.

It is recognised that the Valuer-General, when determining the UV for land, references the land market at the date of valuation where all sales relevant to the predetermined date of valuation are investigated. The Council has also recognised that the fluctuations in market conditions for land in the Rural Agriculture 1 zone can be significant and therefore a separate rating differential category will be retained for land that is within the Rural Agriculture 1 or General Rural zones.

Rate in the dollar is 0.8878 cents. Minimum payment is \$1,034.00.

9. UV – RURAL AGRICULTURE 2

A differential rate is applied to UV valued land located outside the gazetted town site which is zoned Rural Agriculture 2 which is used primarily for, or is capable of use primarily for intensive agriculture and/or horticulture purposes.



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

This sector does have a high impact on infrastructure, but not to the extent of those properties zoned Rural Agriculture 1. Properties within the Rural Agriculture 2 zone are also considered to have a greater capacity to pay through rates generally being tax deductible and should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems and other infrastructure required.

Along with the lesser impact on infrastructure, the sizes of the lots within the Rural Agriculture 2 zone are generally not as large as those within the Rural Agriculture 1 zone, therefore it is recognised that the capacity to pay is slightly lower for those in the Rural Agriculture 2 zone.

As outlined in the Rural Agriculture 1 differential rating category above, it is recognised that the Valuer-General, when determining the UV for land, references the land market at the date of valuation where all sales relevant to the predetermined date of valuation are investigated. The Council has determined that the market conditions do not fluctuate as considerably as those in the Rural Agriculture 1 zone and therefore it will retain a separate rating differential category for land that is within the Rural Agriculture 2 zone.

Rate in the dollar is 0.6278 cents. Minimum payment is \$1,034.00.

10. UV – MINING

A differential rate is applied to UV valued land located outside the gazetted town site which is used primarily for mining purposes.

The mining sector activities require a greater level of non-exclusive services than pastoral activities in the same location and their impact on the community is of a much greater intensity, particularly given the haulage of heavy machinery through the town and its impact on associated infrastructure and the provision of rest/truck parking areas. The sector is considered to have a greater capacity to pay through rates generally being tax deductible, and therefore the sector should contribute to a greater share of the costs of providing infrastructure across the Shire.

Many of the mining tenements have very small values. In order to not only achieve compliance in relation to the number of properties on minimum payments, but to ensure that the minimum payment is reflective of the overall cost of providing services to the community a higher rate in the dollar is imposed.

Rate in the dollar is 25.7167 cents. Minimum payment is \$830.00.



Council Policy Number: CP FIN – 3200

Strategic Rating Policy

11. UV – OTHER

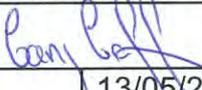
A differential rate is applied to UV valued land located outside the gazetted town site which is not otherwise rated as Rural Residential, Pastoral, Rural Agriculture 1, Rural Agriculture 2, or Mining to ensure that all property owners contribute to the provision of services, facilities and infrastructure.

Rate in the dollar is 0.6006 cents. Minimum payment is \$1,034.00.

GOVERNANCE REFERENCES

Statutory Compliance	Local Government Act, Part 6, Division 6, Subdivision 1 – Introduction and basis of rating
Industry Compliance	Department of Local Government Rating Policies
Organisational Compliance	Delegations
Process Links	<ol style="list-style-type: none"> 1. Annual Budget Process 2. Council Policy: Rates Exemptions for Charitable Organisations (Non Rateable Land) 3. Council Policy: Rates Concessions (Rateable Land)

POLICY ADMINISTRATION

Directorate		Officer Title		Contact:	
Corporate Services		Director Corporate Services		Ext: 121	
Date Effective	01/07/2014	CEO Approved 			
Date Adopted	20/04/2010	Last Reviewed		13/05/2014	
Risk Rating	Medium	Review Cycle	Annual	Next Due	13/05/2015

ITEM 13.5.4 - ATTACHMENT 4(b)

LAND USES AS PER THE TOWN PLANNING SCHEME NO. 7 KUNUNURRA AND ENVIRONS	ZONING AS PER THE TOWN PLANNING SCHEME NO. 7 KUNUNURRA AND ENVIRONS																RATING DIFFERENTIAL CATEGORY ALIGNED TO PREDOMINANT LAND USE &/OR ZONE. IF LAND IS UNDEVELOPED, THE RATING CATEGORY WILL BE GRV OTHER VACANT
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
	TOWN CENTRE	LOCAL CENTRE	TOURIST	RESIDENTIAL	RESIDENTIAL DEVELOPMENT	LIGHT INDUSTRY	MIXED BUSINESS	RURAL INDUSTRY	COMPOSITE INDUSTRY	GENERAL RURAL	RURAL AGRICULTURE 1	RURAL AGRICULTURE 2	RURAL LIVING	SPECIAL SITE	SETTLEMENT	RURAL SMALLHOLDING	
COMMERCIAL																	
Amusement Parlour	P	AA	AA	X	X	X	AA	X	X	X	X	X	X			X	GRV Commercial
Art and Craft Centre	P	X	AA	X	X	IP	SA	X	SA	IP	IP	IP	IP				GRV Commercial
Art Gallery	P	X	AA	X	X	IP	SA	X	SA	IP	IP	IP	IP			IP	GRV Commercial
Bakery - Retail	P	SA	SA	X	X	AA	P	X	SA	X	X	X	X			X	GRV Commercial
Bakery - Wholesale	X	X	X	X	X	P	P	X	SA	X	X	X	X			X	GRV Commercial
Bed and Breakfast	AA	X	P	SA	SA	X	X	X	X	IP	IP	IP	AA			IP	GRV Commercial
Boarding House	P	X	P	SA	AA	X	SA	X	X	X	X	X	X			X	GRV Commercial
Brewery	X	X	X	X	X	X	X	AA	X	IP	SA	SA	IP			X	GRV Commercial
Cabin	X	X	P	X	X	X	X	X	X	IP	IP	IP	X				GRV Commercial
Car Park	P	P	P	AA	AA	IP	IP	IP	IP	IP	IP	X	X			X	GRV Commercial
Caravan Park	P	X	AA	X	X	X	SA	SA	X	X	X	X	X			X	GRV Commercial
Camping Ground	SA	X	SA	X	X	X	SA	X	X	X	X	X	X			X	GRV Commercial
Chalet	X	X	P	X	X	X	X	X	X	IP	IP	IP	X				GRV Commercial
Convenience Store	P	P	P	X	X	AA	AA	IP	X	X	X	X	X			X	GRV Commercial
Drive-In Theatre	AA	X	SA	X	X	AA	X	X	X	X	X	X	X			X	GRV Commercial
Dry Cleaning Premises	P	X	X	X	X	P	AA	X	X	X	X	X	X			X	GRV Commercial
Farm Stay	X	X	X	X	X	X	X	X	X	IP	IP	IP	SA			IP	GRV Commercial
Farm Supply Centre	X	X	X	X	X	P	P	P	SA	X	X	X	X			X	GRV Commercial
Fast Food Outlet	P	P	SA	X	X	AA	AA	X	X	X	X	X	X			X	GRV Commercial
Funeral Parlour	AA	X	X	X	X	AA	SA	X	X	X	X	X	X			X	GRV Commercial
Garden Centre	P	AA	X	X	X	P	P	AA	AA	AA	AA	AA	AA			AA	GRV Commercial
Health Studio	P	AA	AA	X	X	SA	AA	X	X	X	X	X	X			X	GRV Commercial
Home Business	X	X	X	X	X	X	X	X	AA	AA	AA	AA	AA			AA	GRV Commercial
Home Occupation	P	X	X	P	P	X	X	X	AA	P	P	P	P			P	GRV Commercial
Hotel	P	X	P	X	X	X	SA	X	X	X	X	X	X			X	GRV Commercial
Laundromat	P	P	AA	X	X	P	P	X	X	X	X	X	X			X	GRV Commercial
Lunch Bar	P	P	P	X	X	AA	P	AA	SA	X	X	X	X			X	GRV Commercial
Marine Filling Station	X	X	SA	X	X	AA	AA	X	X	X	X	X	X			X	GRV Commercial
Market	P	SA	X	X	X	AA	AA	AA	AA	AA	X	X	X			X	GRV Commercial
Motel	P	X	P	X	X	X	SA	X	X	X	X	X	X			X	GRV Commercial
Motor Vehicle/Marine Sales Premises	P	X	X	X	X	P	P	X	X	X	X	X	X			X	GRV Commercial
Motor Vehicle Hire	P	X	P	X	X	P	P	X	AA	X	X	X	X			X	GRV Commercial
Motor Vehicle Wash Station	SA	X	SA	X	X	SA	SA	SA	SA	X	X	X	X			X	GRV Commercial
Museum	P	X	AA	X	X	X	X	X	X	IP	X	X	X				GRV Commercial
Night Club	AA	X	AA	X	X	X	SA	X	X	X	X	X	X			X	GRV Commercial
Office	P	P	IP	X	X	IP	AA	IP	IP	IP	IP	IP	IP			IP	GRV Commercial
Plant Nursery	AA	AA	X	X	X	P	P	AA	AA	IP	IP	IP	X			AA	GRV Commercial
Reception Centre	P	X	AA	X	X	X	X	X	X	X	X	X	X			X	GRV Commercial
Restricted Premises	SA	SA	X	X	X	SA	SA	X	X	X	X	X	X			X	GRV Commercial
Restaurant	P	P	P	X	X	X	AA	X	X	SA	SA	SA	X			X	GRV Commercial
Road House	SA	SA	SA	X	X	AA	AA	SA	SA	X	X	X	X			X	GRV Commercial
Service Station	X	X	X	X	X	P	P	SA	SA	X	X	X	X			X	GRV Commercial
Shop	P	P	AA	X	X	X	SA	X	X	X	X	X	X			X	GRV Commercial
Showroom	P	X	X	X	X	P	P	SA	AA	X	X	X	X			X	GRV Commercial
Tavern	P	X	SA	X	X	X	X	X	X	X	X	X	X			X	GRV Commercial
Tourist Accommodation	P	X	P	X	X	X	X	X	X	X	X	X	X			X	GRV Commercial
Warehouse	AA	X	X	X	X	P	AA	SA	AA	X	X	X	X			X	GRV Commercial
Wayside Stall	X	X	X	X	X	X	X	AA	AA	IP	IP	IP	AA			X	GRV Commercial
Winery	X	X	X	X	X	X	X	AA	X	IP	SA	SA	IP			X	GRV Commercial

PREDOMINANT USES TO BE LIMITED TO THAT SPECIFICALLY MARKED ON THE SCHEME MAP OR LISTED IN APPENDIX 2 OF THE TPS NO. 7.

PREDOMINANT USES TO BE LIMITED TO THOSE INCLUDED IN A COMMUNITY LAYOUT PLAN ENDORSED BY THE COMMUNITY, THE COUNCIL AND THE WA PLANNING COMMISSION.

LAND USES AS PER THE TOWN PLANNING SCHEME NO. 7 KUNUNURRA AND ENVIRONS	ZONING AS PER THE TOWN PLANNING SCHEME NO. 7 KUNUNURRA AND ENVIRONS																RATING DIFFERENTIAL CATEGORY ALIGNED TO PREDOMINANT LAND USE &/OR ZONE. IF LAND IS UNDEVELOPED, THE RATING CATEGORY WILL BE GRV OTHER VACANT
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
	TOWN CENTRE	LOCAL CENTRE	TOURIST	RESIDENTIAL	RESIDENTIAL DEVELOPMENT	LIGHT INDUSTRY	MIXED BUSINESS	RURAL INDUSTRY	COMPOSITE INDUSTRY	GENERAL RURAL	RURAL AGRICULTURE 1	RURAL AGRICULTURE 2	RURAL LIVING	SPECIAL SITE	SETTLEMENT	RURAL SMALLHOLDING	
RESIDENTIAL																	
Aged & Dependent Persons Dwelling	AA	X	X	AA	AA	X	X	X	X	X	X	X	X	X	X	X	GRV Residential
Caretaker's Dwelling	IP	IP	IP	X	X	IP*	IP	IP	AA	IP	IP	IP	X			X	Ancillary Use. Refer to the predominant use of the land for alignment.
Community Home	AA	X	X	P	P	P	X	X	X	X	X	X	X	X	X	X	GRV Residential
Grouped Dwelling	AA	X	SA	AA	AA	X	X	X	X	X	X	X	X	X	X	X	GRV Residential
Multiple Dwelling	AA	X	SA	AA	AA	X	X	X	X	X	X	X	X	X	X	X	GRV Residential
Residential Building	AA	X	SA	SA	SA	X	SA	X	X	X	X	X	X	X	X	X	GRV Residential
Single Dwelling	X	X	X	P	P	X	X	X	AA	P	P	P	P			P	GRV Residential
Transient Accommodation	X	X	AA	X	X	SA	SA	X	AA	AA	AA	AA	X			X	GRV Commercial
INSTITUTIONAL																	
Civic Building	P	AA	X	SA	SA	SA	SA	X	SA	X	X	AA	AA			AA	GRV Commercial
Club Premises	P	AA	SA	X	X	X	AA	X	X	X	X	X	X			X	GRV Commercial
Community Service Depot	AA	X	X	AA	AA	P	P	AA	AA	AA	AA	AA	AA			AA	GRV Commercial
Consulting Rooms	P	P	X	SA	SA	X	SA	X	X	X	X	X	X			X	GRV Commercial
Day Care Centre	P	AA	X	SA	SA	X	SA	X	X	X	X	X	X			X	GRV Commercial
Detention Centre	X	X	X	X	X	X	X	SA	X	X	X	X	X			X	GRV Commercial
Education Establishment	P	AA	X	SA	SA	AA	AA	X	X	AA	AA	AA	X			X	GRV Commercial
Hospital	P	X	X	X	X	X	X	X	X	X	X	X	X			X	GRV Commercial
Kennels/Catery	X	X	X	X	X	SA	SA	AA	X	SA	SA	SA	X			X	GRV Commercial
Kindergarten	AA	AA	X	SA	SA	X	X	X	X	X	X	X	X			X	GRV Commercial
Medical Centre	P	P	X	SA	SA	X	P	X	X	X	X	X	X			X	GRV Commercial
Public Amusement	P	AA	AA	X	X	X	SA	X	SA	X	X	X	X			X	GRV Commercial
Public Worship	P	X	X	SA	SA	X	X	X	X	X	X	X	X			X	GRV Commercial
Radio & TV Installation	SA	AA	X	SA	SA	AA	AA	AA	X	AA	AA	AA	X			X	GRV Commercial
Veterinary Consulting Room or Hospital	AA	X	X	X	X	AA	AA	AA	X	X	X	X	X			X	GRV Commercial
INDUSTRIAL																	
Abattoir	X	X	X	X	X	X	X	SA	X	AA	SA	X	X			X	GRV Industrial
Boat Building Facility	X	X	X	X	X	P	SA	X	AA	X	X	X	X			X	GRV Industrial
Factory Units	X	X	X	X	X	P	P	AA	AA	X	X	X	X			X	GRV Industrial
Fuel Depot	X	X	X	X	X	AA	AA	AA	AA	X	X	X	X			X	GRV Industrial
Industry: General	X	X	X	X	X	AA	AA	X	X	X	X	X	X			X	GRV Industrial
Light	X	X	X	X	X	P	AA	AA	AA	X	X	X	X			X	GRV Industrial
Service	X	X	X	X	X	P	AA	AA	AA	X	X	X	X			X	GRV Industrial
Extractive	X	X	X	X	X	X	X	SA	X	AA	AA	X	X			X	GRV Industrial
Hazardous	X	X	X	X	X	X	X	SA	X	X	X	X	X			X	GRV Industrial
Noxious	X	X	X	X	X	X	X	SA	X	X	X	X	X			X	GRV Industrial
Cottage	AA	X	AA	AA	AA	AA	AA	AA	AA	AA	AA	SA	SA			SA	GRV Industrial
Rural	X	X	X	X	X	X	X	P	AA	P	SA	SA	X			X	GRV Industrial
Motor Vehicle Repair	AA	AA	X	X	X	P	P	AA	AA	X	X	X	X			X	GRV Industrial
Motor Wrecking	X	X	X	X	X	AA	X	X	X	X	X	X	X			X	GRV Industrial
Salvage Yard	X	X	X	X	X	AA	X	X	X	X	X	X	X			X	GRV Industrial
Transport Depot	X	X	X	X	X	AA	X	AA	AA	X	SA	X	X			X	GRV Industrial
RURAL																	
Airfield	X	X	X	X	X	X	X	X	X	AA	AA	X	X			X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Aquaculture	X	X	X	X	X	SA	X	AA	X	SA	SA	SA	X			X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Equestrian Centre	X	X	X	X	X	X	X	X	X	P	AA	SA	X			X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Intensive Agriculture	X	X	X	X	X	X	X	X	X	P	P	P	X			X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Milk Depot	X	X	X	X	X	AA	P	P	X	AA	SA	SA	X			X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy

REDOMINANT USES TO BE LIMITED TO THAT SPECIFICALLY MARKED ON THE SCHEME MAP OR LISTED IN APPENDIX 2 OF THE TPS NO. 7.

TO BE LIMITED TO THOSE INCLUDED IN A COMMUNITY LAYOUT PLAN ENDORSED BY THE COMMUNITY, THE COUNCIL AND THE WA PLANNING COMMISSION.

LAND USES AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE	ZONING AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE							RATING DIFFERENTIAL CATEGORY ALIGNED TO PREDOMINANT LAND USE &/OR ZONE. IF LAND IS UNDEVELOPED, THE RATING CATEGORY WILL BE GRV OTHER VACANT
	1 TOWN CENTRE	2 RESIDENTIAL	3 INDUSTRIAL	4 SPECIAL RURAL	5 RURAL/PASTORAL	6 SPECIAL SITE	7 SETTLEMENT	

COMMERCIAL

Amusement Facility	AA	X	X	X	X	PREDOMINANT USES TO BE LIMITED TO THAT SPECIFICALLY MARKED ON THE SCHEME MAP OR LISTED IN APPENDIX 2 OF THE TPS NO. 7.	PREDOMINANT USES TO BE LIMITED TO THOSE INCLUDED IN A COMMUNITY LAYOUT PLAN ENDORSED BY THE COMMUNITY, THE COUNCIL AND THE WA PLANNING COMMISSION.	GRV Commercial
Car Park	P	AA	P	AA	AA			GRV Commercial
Dry Cleaning Premises	AA	X	P	X	X			GRV Commercial
Fast Food Outlet	P	X	X	X	X			GRV Commercial
Funeral Parlour	SA	X	AA	X	X			GRV Commercial
Health Studio	AA	X	AA	X	X			GRV Commercial
Home Occupation	AA	AA	AA	AA	AA			GRV Commercial
Hotel	AA	X	X	X	X			GRV Commercial
Laundromat	AA	X	P	X	X			GRV Commercial
Motel	AA	X	X	X	X			GRV Commercial
Motor Vehicle or Marine Sales Premises	AA	X	X	X	X			GRV Commercial
Motor Vehicle Hire	AA	X	P	X	X			GRV Commercial
Night Club	AA	X	P	X	X			GRV Commercial
Office	P	AA	IP	IP	IP			GRV Commercial
Office - Professional	P	X	X	X	X			GRV Commercial
Reception Centre	P	X	X	X	X			GRV Commercial
Restricted Premises	AA	X	AA	X	X			GRV Commercial
Restaurant	P	X	X	X	X			GRV Commercial
Service Station	SA	X	AA	X	X			GRV Commercial
Shop	P	SA	AA	X	X			GRV Commercial
Showroom	P	X	P	X	X	GRV Commercial		
Tavern	AA	X	X	X	X	GRV Commercial		
Warehouse	AA	X	P	X	X	GRV Commercial		

LAND USES AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE	ZONING AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE							RATING DIFFERENTIAL CATEGORY ALIGNED TO PREDOMINANT LAND USE &/OR ZONE. IF LAND IS UNDEVELOPED, THE RATING CATEGORY WILL BE GRV OTHER VACANT
	1 TOWN CENTRE	2 RESIDENTIAL	3 INDUSTRIAL	4 SPECIAL RURAL	5 RURAL/PASTORAL	6 SPECIAL SITE	7 SETTLEMENT	
RESIDENTIAL								
Aged & Dependent Persons Dwelling	AA	AA	X	X	X			GRV Residential
Caretaker's Dwelling	IP	X	IP	IP	IP			Ancillary Use. Refer to the predominant use of the land for alignment.
Grouped Dwelling	P	AA	X	X	X			GRV Residential
Multiple Dwelling	P	AA	X	X	X			GRV Residential
Residential Building	AA	AA	X	X	X			GRV Residential
Single House	AA	P	X	P	P			GRV Residential
COMMUNITY								
Civic Building	P	AA	X	X	X			GRV Commercial
Club Premises	AA	X	SA	AA	AA			GRV Commercial
Consulting Rooms	P	SA	SA	AA	X			GRV Commercial
Day Care Centre	P	SA	X	SA	X			GRV Commercial
Educational Establishment	P	X	AA	X	X			GRV Commercial
Fire Brigade Depot	P	X	P	P	X			GRV Commercial
Hospital	SA	SA	X	X	X			GRV Commercial
Kennels/Cattery	X	X	AA	SA	SA			GRV Commercial
Kindergarten	P	SA	X	X	X			GRV Commercial
Medical Centre	P	SA	X	X	X			GRV Commercial
Public Utility	P	P	P	P	P			GRV Commercial
Public Worship	P	SA	X	X	X			GRV Commercial
Radio & TV Installation	SA	P	AA	AA	AA			GRV Commercial
Veterinary Consulting Room or Hospital	SA	X	AA	X	AA			GRV Commercial
INDUSTRIAL								
Fuel Depot	X	X	P	X	X			GRV Industrial
Industry: General	X	X	P	X	X			GRV Industrial
Light	SA	X	P	X	X			GRV Industrial
Service	SA	X	P	X	X			GRV Industrial
Extractive	X	X	X	X	SA			GRV Industrial
Hazardous	X	X	SA	X	X			GRV Industrial
Cottage	AA	AA	AA	AA	AA			GRV Industrial
Motor Vehicle Repair	SA	X	P	X	X			GRV Industrial
Motor Wrecking	X	X	AA	X	X			GRV Industrial
Salvage Yard	X	X	P	X	X			GRV Industrial
Transport Depot	X	X	P	X	X			GRV Industrial
RECREATION								
Equestrian Centre	X	X	X	P	P			Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Private Recreation	AA	X	SA	AA	AA			Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy

USES TO BE LIMITED TO THAT SPECIFICALLY MARKED ON THE SCHEME MAP OR LISTED IN APPENDIX 2 OF THE TPS NO. 7.

D TO THESE INCLUDED IN A COMMUNITY LAYOUT PLAN ENDORSED BY THE COMMUNITY, THE COUNCIL AND THE WA PLANNING COMMISSION.

LAND USES AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE	ZONING AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE							RATING DIFFERENTIAL CATEGORY ALIGNED TO PREDOMINANT LAND USE &/OR ZONE. IF LAND IS UNDEVELOPED, THE RATING CATEGORY WILL BE GRV OTHER VACANT	
	1 TOWN CENTRE	2 RESIDENTIAL	3 INDUSTRIAL	4 SPECIAL RURAL	5 RURAL/PASTORAL	6 SPECIAL SITE	7 SETTLEMENT		
Public Amusement	AA	P	X	P	P	PREDOMINANT SPECIAL SITE	PREDOMINANT USES TO BE LIMITED	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy	
Public Recreation	P	P	P	P	P			Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy	
RURAL									
Rural Pursuit	X	X	X	P	P			Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy	
Stable	X	X	X	P	AA			Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy	



POLICY NO	CP-FIN 3200	
POLICY	Strategic Rating Policy	
RESPONSIBLE DIRECTORATE	Corporate Services	
RESPONSIBLE OFFICER	Director Corporate Services	
COUNCIL ADOPTION	Date: 02/09/2014	Resolution No: 10528
REVIEWED/MODIFIED	Date: 28/08/2015	Resolution No:
	Date:	Resolution No:
REVIEW DUE	Date: August 2016	
LEGISLATION	<i>Local Government Act 1995 – Sections 6.26, 6.28, 6.33, 6.35</i> <i>Valuation of Land Act 1978</i>	
RELATED POLICIES	<ol style="list-style-type: none"> 1. Town Planning Scheme No. 7 Kununurra and Environs; 2. Town Planning Scheme No. 6 Wyndham Townsite 3. CP FIN-3208 Rates Exemptions for Charitable Organisations Policy (Non Rateable Land) 4. CP FIN-3209 Rates Concession Policy (Rateable Land) 5. CP FIN-3212 Rates and Charges Debt Collection Policy 	
RELATED PROCEDURES	N/A	

PURPOSE:

The purpose of this Policy is to outline the Council's principles and methodology when exercising the Council's discretionary powers to determine the level and structure of rates levied under the *Local Government Act 1995*.

DEFINITIONS:

Gross Rental Value of land means the gross annual rental that the land might reasonably be expected to realize if let on a tenancy from year to year upon condition that the landlord were liable for all rates, taxes and other charges thereon and the insurance and other outgoings necessary to maintain the value of the land...with further provisions outlined in the *Valuation of Land Act 1978*.

Land means lands, tenements and hereditaments, and any improvements to land, and includes any interest in land.

Merged Improvements means any works in the nature of draining, filling, excavation, grading or levelling of the land, retaining walls or other structures or works for that purpose, the removal of rocks, stone or soil, and the clearing of timber, scrub or other vegetation.

Unimproved Value for land situated within a townsite is the site value of the land. In general this means the value of the land as if it were vacant with no improvements except merged improvements. For land outside a townsite it is valued as if it had no improvements. In this case the land is valued as though it remains in its original, natural state, although any land degradation is taken into account. Please refer to the *Valuation of Land Act 1978* for further criteria used when assessing unimproved values of land.

Vacant Land means land on which there are no improvements other than merged improvements.

POLICY STATEMENTS:

The Council believes that overall policy must be underpinned by sound principles, which are well understood, communicated to ratepayers and compliant with current legislation.

The Council aspires to balance service levels in accordance with the needs and expectations of its community and sets taxation levels (rating) to adequately resource its roles and responsibilities.

In determining rates, the Council gives primary consideration to its strategic directions, budget considerations, the current economic climate, other external factors and likely impacts upon the community.

The *Local Government Act 1995* provides the Council with defined discretionary powers to levy rates and require contributions from the community for the provision of services to the district.

The rating principles outlined within this Policy are to apply to all rateable land within the Shire of Wyndham East Kimberley.

The Council will consider the following principles (not necessarily listed in priority order) when developing, maintaining and applying its rating methodology:

1. Equity
2. Incentive
3. Administrative Efficiency
4. Compliance
5. Sustainability

1. EQUITY

Equity is the concept of fairness within property rating in order to achieve an equitable distribution of the rate burden across the community. A differential rating structure can assist in achieving an equitable imposition of rates and charges. The equity principle includes consideration of property wealth tax, user benefit and capacity to pay principles.

a. *Property Wealth Tax*

The Council is limited to taxing one component of wealth, being real property. The wealth tax principle implies that rates paid are dependent upon the value of a ratepayer's real property and does not necessarily have any correlation to the individual ratepayer's consumption of services or the perceived benefits derived by individual ratepayers from the expenditures funded from rates. Some moderation of the effect of property value on the level of rates paid through differential rates may be required to make the rating system more equitable.

b. *User Benefit*

Evaluating the relative benefits received by various classes of property raises many practical difficulties, in particular, trying to trace quantifiable consumption/benefits to particular types of properties. The analysis is often reduced to arguments of what services are consumed by residential versus farm, commercial/industrial versus residences, and between different towns. Clearly the exercise is not clear cut – for example, it might be argued that rural ratepayers derive less benefit from library services than their town counterparts but the reverse may be argued with respect to the costs or constructing or repairing long lengths of local roads to service a small number of properties. It is

3. *GRV – COMMERCIAL*

A differential rate is applied to GRV valued land which is used primarily for commercial purposes, and may include land uses such as caravan parks, fast food outlets, hotels, restaurants, boarding houses or veterinary consulting rooms as outlined in Appendix A.

The commercial sector generates high pedestrian and traffic volumes resulting in a greater impact on the provision of services, facilities and infrastructure, and is also considered to have a greater capacity to pay through rates generally being tax deductible. This sector should therefore contribute a greater share of the costs associated with economic development and marketing programs which assist and facilitate economic growth in the region; road construction; maintenance and refurbishment including road drainage systems; roadside sweeping; landscaping; verge maintenance and street lighting.

In recognising the greater impact on infrastructure, facilities and services, the Council will establish the rate in the dollar at 1.1 times the base rate in the first year, with the intention to increase this each year thereafter, to be capped at 2 times the base rate over a 5 year period. The 2015/16 financial year will be year 2 of this transition and the Council has established the rate in the dollar at 1.3 times the base rate.

Rate in the dollar is 12.0890 cents. Minimum payment is \$1,085.00.

4. *GRV – INDUSTRIAL*

A differential rate is applied to GRV valued land which is used primarily for industrial purposes and as outlined in Appendix A.

This sector generates high traffic volumes with heavy loads and is considered to have a greater capacity to pay through rates generally being tax deductible. This sector should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems.

In recognising the greater impact on infrastructure in particular, the Council will recognise the rate in the dollar at 1.1 times the base rate in the first year, with the intention to increase each year thereafter, to be capped at no more than 1.7 times the base rate over a 5 year period. The 2015/16 financial year will be year 2 of this transition and the Council has established the rate in the dollar at 1.2 times the base rate.

Rate in the dollar is 11.1590 cents. Minimum payment is \$1,085.00.

5. *UV – RURAL RESIDENTIAL*

A differential rate is applied to UV valued land located outside the gazetted town site that is zoned Rural Living, Rural Smallholding and Special Rural which is used primarily for or capable of being used primarily for rural residential purposes.

Rural residential has the same meaning as the objectives of TPS7 and TPS6 for these Zones, being:-

- a. Providing for those people wishing to reside on a small rural holding (as in the case of a Rural Living Zone in TPS7); or
- b. Providing for those people wishing to reside on rural lifestyle lots (as in the case of the Rural Smallholding Zone in TPS7); or
- c. Providing for those people wishing to reside on a small rural holding (as in the case of the Special Rural Zone in TPS6).

8. *UV – RURAL AGRICULTURE 1*

A differential rate is applied to UV valued land located outside the gazetted town site which is zoned Rural Agriculture 1 or General Rural which is used or capable of being used primarily for extensive agriculture, agroforestry and/or horticulture purposes.

It is recognised that this sector has a greater impact on the road infrastructure with the heavy loads that it generates, and also that it has a greater capacity to pay through rates generally being tax deductible. This sector should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems and other infrastructure required.

This differential rating category will also be utilised for land where the land meets the objectives outlined above, but is based on a percentage of the overall lot size for which the other portion of the lot is non rateable land.

It is recognised that the Valuer-General, when determining the UV for land, references the land market at the date of valuation where all sales relevant to the predetermined date of valuation are investigated. The Council has also recognised that the fluctuations in market conditions for land in the Rural Agriculture 1 zone can be significant and therefore a separate rating differential category will be retained for land that is within the Rural Agriculture 1 or General Rural zones.

Rate in the dollar is 0.9502 cents. Minimum payment is \$1,085.00.

9. *UV – RURAL AGRICULTURE 2*

A differential rate is applied to UV valued land located outside the gazetted town site which is zoned Rural Agriculture 2 which is used primarily for, or is capable of use primarily for intensive agriculture and/or horticulture purposes.

This sector does have a high impact on infrastructure, but not to the extent of those properties zoned Rural Agriculture 1. Properties within the Rural Agriculture 2 zone are also considered to have a greater capacity to pay through rates generally being tax deductible and should therefore contribute a greater share of the costs associated with road construction, maintenance and refurbishment including road drainage systems and other infrastructure required.

Along with the lesser impact on infrastructure, the sizes of the lots within the Rural Agriculture 2 zone are generally not as large as those within the Rural Agriculture 1 zone, therefore it is recognised that the capacity to pay is slightly lower for those in the Rural Agriculture 2 zone.

As outlined in the Rural Agriculture 1 differential rating category above, it is recognised that the Valuer-General, when determining the UV for land, references the land market at the date of valuation where all sales relevant to the predetermined date of valuation are investigated. The Council has determined that the market conditions do not fluctuate as considerably as those in the Rural Agriculture 1 zone and therefore it will retain a separate rating differential category for land that is within the Rural Agriculture 2 zone.

Rate in the dollar is 0.9502 cents. Minimum payment is \$1,085.00.

10. *UV – MINING*

A differential rate is applied to UV valued land located outside the gazetted town site which is used primarily for mining purposes and encompasses mining leases, petroleum exploration permits and general purpose mining leases.

EXPLANATORY NOTES:

BACKGROUND

This Policy has been developed within the context of the Shire of Wyndham East Kimberley's Strategic Community Plan and Corporate Business Plan. In setting rates, the Council considers the long term vision for the Shire, strategic directions, financial sustainability and the likely impacts on the community.

Rates are based on property values and are therefore a property tax. Under the *Valuation of Land Act 1978*, the Valuer-General must maintain valuation rolls of rateable and taxable land throughout Western Australia. These rolls are periodically provided to the Shire for rating purposes. On behalf of the Valuer-General, Property & Valuations Services, Landgate (the Western Australian Land Information Authority), conducts general valuations (revaluations) and makes interim valuations as required.

The types of values made are:

1. Unimproved Value (UV), and
2. Gross Rental Value (GRV).

The unimproved value and gross rental value are defined within the *Valuation of Land Act 1978* and have been outlined in the definitions section of this Policy.

The Shire has no role in the process of determining the valuations attributed to each property. All land within the Shire is rateable except for land specifically exempt under section 6.26 of the *Local Government Act 1995* as outlined above and the Council's *CP FIN-3208 Rates Exemption Policy for Charitable Organisations (Non-Rateable Land)*.

The Council determines the amount of revenue required from rates collections each year to meet its financial, strategic, operational and statutory responsibilities for the coming financial year.

Valuations are not the sole factor in determining the rates income of the Shire, and as a result, valuations increases or decreases do not necessarily cause a rate rise or reduction.

SCOPE AND LIMITATIONS

The *Local Government Act 1995* provides the Council with defined discretionary powers to levy rates and require contributions from the community for the provision of services to the district.

The rating principles outlined within this Policy are to apply to all rateable land within the Shire of Wyndham East Kimberley.

The applicable legislation in reference to limitations is section 6.26 of the *Local Government Act 1995* which outlines land that is not rateable, and is therefore exempt from rates section 6.26 states:-

6.26. Rateable land

- (1) Except as provided in this section all land within a district is rateable land.
- (2) The following land is not rateable land —
 - (a) land which is the property of the Crown and —

- (6) *Land does not cease to be used exclusively for a purpose mentioned in subsection (2) merely because it is used occasionally for another purpose which is of a charitable, benevolent, religious or public nature.*

In determining the methodology of how rates will be applied, the Council is to consider the basis of rates in accordance with section 6.28 of the *Local Government Act 1995* which states:

6.28. Basis of rates

- (1) *The Minister is to —*
 - (a) *determine the method of valuation of land to be used by a local government as the basis for a rate; and*
 - (b) *publish a notice of the determination in the Government Gazette.*
- (2) *In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be —*
 - (a) *where the land is used predominantly for rural purposes, the unimproved value of the land; and*
 - (b) *where the land is used predominantly for non-rural purposes, the gross rental value of the land.*
- (3) *The unimproved value or gross rental value, as the case requires, of rateable land in the district of a local government is to be recorded in the rate record of that local government.*
- (4) *Subject to subsection (5), for the purposes of this section the valuation to be used by a local government is to be the valuation in force under the Valuation of Land Act 1978 as at 1 July in each financial year.*
- (5) *Where during a financial year —*
 - (a) *an interim valuation is made under the Valuation of Land Act 1978; or*
 - (b) *a valuation comes into force under the Valuation of Land Act 1978 as a result of the amendment of a valuation under that Act; or*
 - (c) *a new valuation is made under the Valuation of Land Act 1978 in the course of completing a general valuation that has previously come into force,*

the interim valuation, amended valuation or new valuation, as the case requires, is to be used by a local government for the purposes of this section.

In determining the differential general rates, the Council must consider section 6.33 and section 6.35 of the *Local Government Act 1995* which states:

6.33. Differential general rates

- (1) *A local government may impose differential general rates according to any, or a combination, of the following characteristics —*
 - (a) *the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or*
 - (b) *a purpose for which the land is held or used as determined by the local government; or*

- (c) *whether or not the land is vacant land; or*
 - (d) *any other characteristic or combination of characteristics prescribed.*
- (2) *Regulations may —*
- (a) *specify the characteristics under subsection (1) which a local government is to use; or*
 - (b) *limit the characteristics under subsection (1) which a local government is permitted to use.*
- (3) *In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.*
- (4) *If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.*
- (5) *A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation¹ is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.*

6.35. Minimum payment

- (1) *Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.*
- (2) *A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.*
- (3) *In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —*
- (a) *50% of the total number of separately rated properties in the district; or*
 - (b) *50% of the number of properties in each category referred to in subsection (6),*
- on which a minimum payment is imposed.*
- (4) *A minimum payment is not to be imposed on more than the prescribed percentage of —*
- (a) *the number of separately rated properties in the district; or*
 - (b) *the number of properties in each category referred to in subsection (6),*
- unless the general minimum does not exceed the prescribed amount.*
- (5) *If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.*
- (6) *For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —*

LAND USES AS PER THE TOWN PLANNING SCHEME NO. 7 KUNUNURRA AND ENVIRONS	ZONING AS PER THE TOWN PLANNING SCHEME NO. 7 KUNUNURRA AND ENVIRONS																RATING DIFFERENTIAL CATEGORY ALIGNED TO PREDOMINANT LAND USE &/OR ZONE. IF LAND IS UNDEVELOPED, THE RATING CATEGORY WILL BE GRV OTHER VACANT
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
	TOWN CENTRE	LOCAL CENTRE	TOURIST	RESIDENTIAL	RESIDENTIAL DEVELOPMENT	LIGHT INDUSTRY	MIXED BUSINESS	RURAL INDUSTRY	COMPOSITE INDUSTRY	GENERAL RURAL	RURAL AGRICULTURE 1	RURAL AGRICULTURE 2	RURAL LIVING	SPECIAL SITE	SETTLEMENT	RURAL SMALLHOLDING	
RESIDENTIAL																	
Aged & Dependent Persons Dwelling	AA	X	X	AA	AA	X	X	X	X	X	X	X	X	X		X	GRV Residential
Caretaker's Dwelling	IP	IP	IP	X	X	IP*	IP	IP	AA	IP	IP	IP	X		X	GRV Residential	
Community Home	AA	X	X	P	P	P	X	X	X	X	X	X	X	X		X	GRV Residential
Grouped Dwelling	AA	X	SA	AA	AA	X	X	X	X	X	X	X	X	X		X	GRV Residential
Multiple Dwelling	AA	X	SA	AA	AA	X	X	X	X	X	X	X	X	X		X	GRV Residential
Residential Building	AA	X	SA	SA	SA	X	SA	X	X	X	X	X	X	X		X	GRV Residential
Single Dwelling	X	X	X	P	P	X	X	X	AA	P	P	P	P		P	GRV Residential	
Transient Accommodation	X	X	AA	X	X	SA	SA	X	AA	AA	AA	AA	X		X	GRV Commercial	
INSTITUTIONAL																	
Civic Building	P	AA	X	SA	SA	SA	SA	X	SA	X	X	AA	AA		AA	GRV Commercial	
Club Premises	P	AA	SA	X	X	X	AA	X	X	X	X	X	X		X	GRV Commercial	
Community Service Depot	AA	X	X	AA	AA	P	P	AA	AA	AA	AA	AA	AA		AA	GRV Commercial	
Consulting Rooms	P	P	X	SA	SA	X	SA	X	X	X	X	X	X		X	GRV Commercial	
Day Care Centre	P	AA	X	SA	SA	X	SA	X	X	X	X	X	X		X	GRV Commercial	
Detention Centre	X	X	X	X	X	X	X	SA	X	X	X	X	X		X	GRV Commercial	
Education Establishment	P	AA	X	SA	SA	AA	AA	X	X	AA	AA	AA	X		X	GRV Commercial	
Hospital	P	X	X	X	X	X	X	X	X	X	X	X	X		X	GRV Commercial	
Kennels/Catery	X	X	X	X	X	SA	SA	AA	X	SA	SA	SA	X		X	GRV Commercial	
Kindergarten	AA	AA	X	SA	SA	X	X	X	X	X	X	X	X		X	GRV Commercial	
Medical Centre	P	P	X	SA	SA	X	P	X	X	X	X	X	X		X	GRV Commercial	
Public Amusement	P	AA	AA	X	X	X	SA	X	SA	X	X	X	X		X	GRV Commercial	
Public Worship	P	X	X	SA	SA	X	X	X	X	X	X	X	X		X	GRV Commercial	
Radio & TV Installation	SA	AA	X	SA	SA	AA	AA	AA	X	AA	AA	AA	X		X	GRV Commercial	
Veterinary Consulting Room or Hospital	AA	X	X	X	X	AA	AA	AA	X	X	X	X	X		X	GRV Commercial	
INDUSTRIAL																	
Abattoir	X	X	X	X	X	X	X	SA	X	AA	SA	X	X		X	GRV Industrial	
Boat Building Facility	X	X	X	X	X	P	SA	X	AA	X	X	X	X		X	GRV Industrial	
Factory Units	X	X	X	X	X	P	P	AA	AA	X	X	X	X		X	GRV Industrial	
Fuel Depot	X	X	X	X	X	AA	AA	AA	AA	X	X	X	X		X	GRV Industrial	
Industry: General	X	X	X	X	X	AA	AA	X	X	X	X	X	X		X	GRV Industrial	
Light	X	X	X	X	X	P	AA	AA	AA	X	X	X	X		X	GRV Industrial	
Service	X	X	X	X	X	P	AA	AA	AA	X	X	X	X		X	GRV Industrial	
Extractive	X	X	X	X	X	X	X	SA	X	AA	AA	X	X		X	GRV Industrial	
Hazardous	X	X	X	X	X	X	X	SA	X	X	X	X	X		X	GRV Industrial	
Noxious	X	X	X	X	X	X	X	SA	X	X	X	X	X		X	GRV Industrial	
Cottage	AA	X	AA	AA	AA	AA	AA	AA	AA	AA	AA	SA	SA		SA	GRV Industrial	
Rural	X	X	X	X	X	X	X	P	AA	P	SA	SA	X		X	GRV Industrial	
Motor Vehicle Repair	AA	AA	X	X	X	P	P	AA	AA	X	X	X	X		X	GRV Industrial	
Motor Wrecking	X	X	X	X	X	AA	X	X	X	X	X	X	X		X	GRV Industrial	
Salvage Yard	X	X	X	X	X	AA	X	X	X	X	X	X	X		X	GRV Industrial	
Transport Depot	X	X	X	X	X	AA	X	AA	AA	X	SA	X	X		X	GRV Industrial	
RURAL																	
Airfield	X	X	X	X	X	X	X	X	X	AA	AA	X	X		X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy	
Aquaculture	X	X	X	X	X	SA	X	AA	X	SA	SA	SA	X		X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy	
Equestrian Centre	X	X	X	X	X	X	X	X	X	P	AA	SA	X		X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy	
Intensive Agriculture	X	X	X	X	X	X	X	X	X	P	P	P	X		X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy	
Milk Depot	X	X	X	X	X	AA	P	P	X	AA	SA	SA	X		X	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy	

REDOMINANT USES TO BE LIMITED TO THAT SPECIFICALLY MARKED ON THE SCHEME MAP OR LISTED IN APPENDIX 2 OF THE TPS NO. 7.

TO BE LIMITED TO THOSE INCLUDED IN A COMMUNITY LAYOUT PLAN ENDORSED BY THE COMMUNITY, THE COUNCIL AND THE WA PLANNING COMMISSION.

LAND USES AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE	ZONING AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE							RATING DIFFERENTIAL CATEGORY ALIGNED TO PREDOMINANT LAND USE &/OR ZONE. IF LAND IS UNDEVELOPED, THE RATING CATEGORY WILL BE GRV OTHER VACANT
	1 TOWN CENTRE	2 RESIDENTIAL	3 INDUSTRIAL	4 SPECIAL RURAL	5 RURAL/PASTORAL	6 SPECIAL SITE	7 SETTLEMENT	
COMMERCIAL								
Amusement Facility	AA	X	X	X	X			GRV Commercial
Car Park	P	AA	P	AA	AA			GRV Commercial
Dry Cleaning Premises	AA	X	P	X	X			GRV Commercial
Fast Food Outlet	P	X	X	X	X			GRV Commercial
Funeral Parlour	SA	X	AA	X	X			GRV Commercial
Health Studio	AA	X	AA	X	X			GRV Commercial
Home Occupation	AA	AA	AA	AA	AA			GRV Commercial
Hotel	AA	X	X	X	X			GRV Commercial
Laundromat	AA	X	P	X	X			GRV Commercial
Motel	AA	X	X	X	X			GRV Commercial
Motor Vehicle or Marine Sales Premises	AA	X	X	X	X			GRV Commercial
Motor Vehicle Hire	AA	X	P	X	X			GRV Commercial
Night Club	AA	X	P	X	X			GRV Commercial
Office	P	AA	IP	IP	IP			GRV Commercial
Office - Professional	P	X	X	X	X			GRV Commercial
Reception Centre	P	X	X	X	X			GRV Commercial
Restricted Premises	AA	X	AA	X	X			GRV Commercial
Restaurant	P	X	X	X	X			GRV Commercial
Service Station	SA	X	AA	X	X			GRV Commercial
Shop	P	SA	AA	X	X			GRV Commercial
Showroom	P	X	P	X	X			GRV Commercial
Tavern	AA	X	X	X	X			GRV Commercial
Warehouse	AA	X	P	X	X			GRV Commercial
PREDOMINANT USES TO BE LIMITED TO THAT SPECIFICALLY MARKED ON THE SCHEME MAP OR LISTED IN APPENDIX 2 OF THE TPS NO. 7.								
PREDOMINANT USES TO BE LIMITED TO THOSE INCLUDED IN A COMMUNITY LAYOUT PLAN ENDORSED BY THE COMMUNITY, THE COUNCIL AND THE WA PLANNING COMMISSION.								

LAND USES AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE	ZONING AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE							RATING DIFFERENTIAL CATEGORY ALIGNED TO PREDOMINANT LAND USE &/OR ZONE. IF LAND IS UNDEVELOPED, THE RATING CATEGORY WILL BE GRV OTHER VACANT
	1 TOWN CENTRE	2 RESIDENTIAL	3 INDUSTRIAL	4 SPECIAL RURAL	5 RURAL/PASTORAL	6 SPECIAL SITE	7 SETTLEMENT	
RESIDENTIAL								
Aged & Dependent Persons Dwelling	AA	AA	X	X	X			GRV Residential
Caretaker's Dwelling	IP	X	IP	IP	IP			Ancillary Use. Refer to the predominant use of the land for alignment.
Grouped Dwelling	P	AA	X	X	X			GRV Residential
Multiple Dwelling	P	AA	X	X	X			GRV Residential
Residential Building	AA	AA	X	X	X			GRV Residential
Single House	AA	P	X	P	P			GRV Residential
COMMUNITY								
Civic Building	P	AA	X	X	X			GRV Commercial
Club Premises	AA	X	SA	AA	AA			GRV Commercial
Consulting Rooms	P	SA	SA	AA	X			GRV Commercial
Day Care Centre	P	SA	X	SA	X			GRV Commercial
Educational Establishment	P	X	AA	X	X			GRV Commercial
Fire Brigade Depot	P	X	P	P	X			GRV Commercial
Hospital	SA	SA	X	X	X			GRV Commercial
Kennels/Cattery	X	X	AA	SA	SA			GRV Commercial
Kindergarten	P	SA	X	X	X			GRV Commercial
Medical Centre	P	SA	X	X	X			GRV Commercial
Public Utility	P	P	P	P	P			GRV Commercial
Public Worship	P	SA	X	X	X			GRV Commercial
Radio & TV Installation	SA	P	AA	AA	AA			GRV Commercial
Veterinary Consulting Room or Hospital	SA	X	AA	X	AA			GRV Commercial
INDUSTRIAL								
Fuel Depot	X	X	P	X	X			GRV Industrial
Industry: General	X	X	P	X	X			GRV Industrial
Light	SA	X	P	X	X			GRV Industrial
Service	SA	X	P	X	X			GRV Industrial
Extractive	X	X	X	X	SA			GRV Industrial
Hazardous	X	X	SA	X	X			GRV Industrial
Cottage	AA	AA	AA	AA	AA			GRV Industrial
Motor Vehicle Repair	SA	X	P	X	X			GRV Industrial
Motor Wrecking	X	X	AA	X	X			GRV Industrial
Salvage Yard	X	X	P	X	X			GRV Industrial
Transport Depot	X	X	P	X	X			GRV Industrial
RECREATION								
Equestrian Centre	X	X	X	P	P			Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy
Private Recreation	AA	X	SA	AA	AA			Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy

T USES TO BE LIMITED TO THAT SPECIFICALLY MARKED ON THE SCHEME MAP OR LISTED IN APPENDIX 2 OF THE TPS NO. 7.

D TO THISE INCLUDED IN A COMMUNITY LAYOUT PLAN ENDORSED BY THE COMMUNITY, THE COUNCIL AND THE WA PLANNING COMMISSION.

LAND USES AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE	ZONING AS PER THE TOWN PLANNING SCHEME NO. 6 WYNDHAM TOWNSITE							RATING DIFFERENTIAL CATEGORY ALIGNED TO PREDOMINANT LAND USE &/OR ZONE. IF LAND IS UNDEVELOPED, THE RATING CATEGORY WILL BE GRV OTHER VACANT	
	1 TOWN CENTRE	2 RESIDENTIAL	3 INDUSTRIAL	4 SPECIAL RURAL	5 RURAL/PASTORAL	6 SPECIAL SITE	7 SETTLEMENT		
Public Amusement	AA	P	X	P	P	PREDOMINANT SPECIAL SITE	PREDOMINANT USES TO BE LIMITED	Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy	
Public Recreation	P	P	P	P	P			Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy	
RURAL									
Rural Pursuit	X	X	X	P	P			Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy	
Stable	X	X	X	P	AA			Rating Differential Category Determined by Zone and/or a Combination of Zone and Land Use In Accordance with the Strategic Rating Policy	

Attractive Items

Assets that may be considered non current in nature but are not recorded in the Asset Register due to threshold limits (ie: items under \$5,000) are to be recorded as the 'attractive' items should it be considered necessary to maintain a record of the item for the purposes of security, control or insurance. All attractive items should be included in any stocktake of all assets. The values of these items are to be expensed in the year they are purchased. These items are recorded in a subsection of the Asset Register as Attractive Items (a non-depreciable asset).

Works of Art

Council also has a large number of pieces of art work. These pieces shall also be included on the asset register, similar to attractive items, in that they are not to be depreciated but kept as a record and subject to stocktake.

Reporting of Assets

The accurate classification and recording of non current assets allows Council to determine the amount of funds invested and the cost involved in supplying the necessary infrastructure to support the activities of the Shire.

For reporting purposes, assets are recorded by group and class:

Group	Class	Examples
Land & Buildings	Land	Land, vacant/occupied
	Landfill	Refuse (land component only)
	Brick/concrete buildings	
	Transportable Buildings	
	Steel Construction Buildings	
	Ancillary Structures to buildings	Small sheds, carports, fencing, retaining walls
Furniture & Equipment	Computer equipment	Computers Scanners Computer software
	Office Equipment	Audio/ Visual Communication Equipment Fax machines photocopiers Plan Printer Plotter Other Office equipment
	Phone Systems	Phone System
	Office Furniture	Chairs Desks Cupboards
	Kitchen Equipment	Dishwashers refrigerators

	Fit-outs	Flooring
	Outdoor furniture	Picnic Tables/chairs park benches Barbeque
Plant & Equipment	Light Plant	Motor vehicles Sedans 4WD Vehicles Mowers Utes
	Medium Plant	Surveying equipment Tractors up to 100hp Light trucks Bush Fire fighting vehicles
	Sport & Recreation Equipment	Recreation Equipment Sound Equipment Sporting Equipment
	Other Equipment	Line Markers Playground Equipment Generators Pumps Security Systems
	Heavy Plant	Rollers Bulldozers Loaders Heavy Trucks Tractors over 100hp Graders Street Cleaners Street Sweepers Trailers
	Broadcasting	Rebroadcasting equipment
Infrastructure - Airports	Airfields	Runways Aprons Taxiways
Infrastructure - Road	Kerbs	Kerbs Median Strips
	Town road formation	
	Town - Pavement under seal	
	Town - Road seal (aggregate)	
	Town - Road Seals (Asphalt)	
	Town - Sheeting on paved roads	
	Rural Road Formation	
	Rural - Pavement under seal	
	Rural - Road Seal (Aggregate)	
	Rural - Road Seal (Asphalt)	
Infrastructure -	Bridges	Bridges

Bridges		Culverts
Infrastructure - Drainage	Retarding Basins	Retarding Basins
	Drains	Drains
Infrastructure - Footpaths	Footpaths (Concrete)	Footpaths Cyclepaths Sidewalks
	Footpaths (Slab)	Footpaths Cyclepaths Sidewalks
Infrastructure - Other	Carparks	Sealed Carparks
	Boat Ramps	Boat Ramps
	Retic	Staff housing retic Oval retic Parks Retic
	Street Lights	Street Lighting
	Jetties	Jetties
	Outdoor Pools	Swimming complexes
	Sporting Facilities	Hardcourts Skatepark
Uncompleted Works	Property, Plant and Equipment	Uncompleted Buildings
	Infrastructure	Uncompleted footpaths
Attractive Items	Art Register	Artwork
	Attractive Items	Mobile Telephones Laptop Computers Cameras

Land and Building

The purchase of Land and/or Building constitutes capital expenditure and should be recorded as a “Land & Buildings” asset. The construction of buildings are to be recorded at cost. All improvements to land and/or buildings in this class include:

- Housing
- Office Buildings
- Fencing and retaining walls
- Airport Terminals

Furniture and Equipment

Purchase of furniture including chairs, desks, bookshelves, filing cabinets. Office Equipment is inclusive of photocopiers, printers, scanners.

Computers –this class includes hardware and software – hardware being UPS, servers, personal computers and laptops and software being that which is integral to the operation of the computer (such as set-up software) which would constitute capital expenditure and should be included in the total cost of the purchasing of the

Disposals by way of sale or trade-in are to be recorded on the asset register at the value of the disposal and profit/loss recorded.

If item has been destroyed, lost or stolen then the disposal is defined as a write off and the disposal value is equal to the net book value.

Asset Inspection and Control

An asset stocktake will occur at least every three years to physically assess what assets are still controlled by Council to maintain accuracy of the asset register.

Impairment

As per Policy F7 – Significant Accounting Policies assets are to be assessed for impairment and reported on accordingly.

Adopted: 19 August 2008

Amended: 15 September 2009

Effective: 1 July 2009

□ 5.4.5 Description of Program Classifications

Governance
<p>Members of Council</p> <p>Administration and operation of facilities and services to members of council. Includes fees, expenses and allowances paid to elected and committee members, election costs, insurance, subscriptions, conference expenses, council chamber expenses, members' entertainment, support staff (orderly, secretarial, receptionists etc.), printing, telephones, faxes, delivery expenses.</p> <p>Also includes the allocation of administration expenses for the Chief Executive Officer and staff in preparation, administration and attendance at meetings and assisting elected members and other committees of Council.</p>
<p>Other Governance</p> <p>Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services. Including civic receptions, refreshments (receptions), naturalisation (citizenship) ceremonies, polls, referendums, public relations (newsletters, sister city relationships etc.), Freedom of Information requests and preparation for State visits.</p> <p>Research, development and preparation of policy documents, development of local laws, strategic planning, principal activity plans, annual budgets, annual financial reports, audit fees and the annual report.</p> <p>The allocation of expenses made to this program, such as meetings, public relations or staff should not include those identified with specific programs or business units.</p>

General Purpose Funding

Rates

Rates levied under Division 6 of Part 6 of the *Local Government Act 1995*. Revenue from a general rate, differential rates, minimum rates, interest and fees on instalment arrangements, interest on arrears, government subsidy for rates deferred by entitled pensioners, less discounts and/or concessions relating to rates levied.

Expenditures incurred in administration and maintaining rate records, rating valuations, servicing notices, postage, stationery, advertising, doubtful debt expense, debt collection, printing, indirect administration costs etc.

Specified area rates, service charges, sewerage rates and water rates are to be allocated to the service program for which the charge is being levied.

Other General Purpose Funding

Amounts receivable from the Western Australian Grants Commission and any other Government Grant of a general purpose nature and generally referred to as untied grants. The funds allocated by the Grants Commission and referred to as general purpose funding and local roads funding are considered untied grants. Grants for special projects from the Commission are considered tied grants and should be disclosed under the appropriate program i.e. Transport.

Interest earnings from deposits and investments, including reserve accounts. General overdraft expenses on the Municipal Fund. Where overdraft arrangements are made for specific purposes the cost incurred with that purpose is to be allocated to the appropriate program.

Interest expenses on borrowing are to be allocated to the program for which purposes the loans were raised. Repayments of interest by community groups or self-supporting loans are to be treated as revenue in the corresponding program.

Health

Maternal and Infant Health

Administration and operation of centres concerned with the provision of pre-natal and post-natal care and counselling to mothers and their children, including mother craft nursing services, pre-school dental clinics and infant health centres.

Preventive Services - Immunisation

Administration, implementation and operation of immunisation and inoculation programs. Includes contract services, donations, subsidies to programs and accommodation costs.

Preventive Services - Meat Inspection

Carrying out meat inspection services under the *Health Act 1911*.

Preventive Services - Health Administration and Inspection

Administration, inspection and operations of programs concerned with the general health of the community.

Includes the costs and revenues derived from the inspection of eating houses, alfresco dining, lodging and boarding houses, itinerant food vendors, stall holders, offensive trade etc.

Also includes providing the services of a Medical Officer of Health, group and regional health schemes and any other outlays concerned with the general health inspection and administration services provided by the council.

Preventive Services - Pest Control

Administration and operations for programs concerned with the eradication of noxious insects and vermin such as mosquitoes, flies, rodent etc.

Preventive Services - Other

Operation of preventive services that cannot be assigned to one of the four preceding sub-programs.

Includes outlays for the supply of fluoride tablets, analytical fees, school health programs (dental, head lice, etc.).

Other Health

Administration and operation of medical and dental clinics including contributions, subsidies, donations etc. provision of medical services such as doctors, dentists nursing services, Royal Flying Doctors Service, ambulance services, and hospitals.

Subsidies and donations to the Silver Chain, Red Cross, various research appeals such as Huntington's Disease, Heart, Cancer and Arthritis Foundations, etc.

Education and Welfare

Pre-school

Providing and maintaining pre-school centres having a qualified teacher which are primarily educational institutions (eg. pre-schools, 4 year old program, kindergartens).

Excludes outlays on play centres, crèches etc. which do not have as a main function the role to prepare children for subsequent schooling (see Care of Families and Children).

Other Education

Outlays on other than pre-primary school institutions and services. Including improvements to school grounds, school bus services, student hostels, awards, prizes, scholarships, adult education programs, migrant education services, junior council training, tele-centres, education support programs and associations linked to education such as parents and citizens associations.

Care of Families and Children

Administration, inspection, support and operation of programs concerned with providing facilities to serve dependent parents and young children, parent and baby centres, child care centres, crèches and play centres at which little or no schooling is provided.

Also emergency housekeeping services, out of school child care centres and associations, the operation of home help services for families and children and donations, subsidies, contributions etc. made to centres and associations of welfare services for families and children.

Aged and Disabled - Senior Citizens' Centres

Administration, support and operation of welfare services for the elderly and senior citizens' centres. Includes the provision and maintenance of senior citizen centres and the related services such as the provision of meals, hairdressing, podiatry, entertainment and social activities.

Aged and Disabled - Meals on Wheels

Administration, preparation, support and operation of meals on wheels service. Revenues include fees, donations, grants and contributions from other local governments and organisations.

Aged and Disabled - Other

Administration and operations of welfare services that cannot be assigned to one of the preceding two subgroups. Includes home help services provided for senior citizens and disabled persons, subsidies, contributions, donations etc.

Housing for the frail aged is to be included in 'Other Housing'.

Other Welfare

Administration, support and operation of other welfare services concerned with family support schemes, refuge centres, drop-in centres for the unemployed or youth, services for migrants, social workers and contributions, subsidies, donations to welfare groups.

Housing

Staff Housing

Administration and operation of residential housing for council staff.

The net costs of these facilities should be assigned to the program for which the employee is engaged e.g. environmental health officer's residence to Health.

Other Housing

Administration, provision and operation of housing programs other than those for the benefit of council staff.

These include housing for aged persons, unemployed youth, aboriginal housing schemes, Homewest schemes, government and semi government employees.

Community Amenities

Sanitation – Household

Administration and operation of general refuse collection and disposal services.

These include the collection of general, recyclable and green waste, the delivery to a disposal site or transfer station, provision and maintenance of rubbish disposal sites, regional schemes, recycling depots and transfer stations.

Sanitation - Other

Operation of sanitary services other than for general refuse collection and disposal services. Includes trade and industrial waste disposal, offal and pig swill disposal, industrial waste disposal sites, cleaning of street gutters, verges and public litter bins, special rubbish clean ups, litter enforcement and control.

Contributions, subsidies, donations etc. (eg. to Keep Australia Beautiful Council, Tidy Towns competition).

Sewerage

The operation of services and facilities for the collection, treatment and disposal of sewerage. Includes the maintenance of deep mains, reticulation, pumps etc., effluent and sullage drainage disposal systems, water treatment systems, septic tank cleaning and inspection and night soil disposal (pan removal).

Revenues include sewerage rates, inspection fees, septic tank installation and cleaning fees.

Urban Stormwater Drainage

Administration, inspection and operation of urban stormwater drainage systems including the lining or barrelling of creeks and the provision of open or deep drainage systems and other assistance for the development, expansion or operation of such systems.

Excludes the construction of drains associated with roadworks (Transport) and flood mitigation works (Protection of the Environment or Rural Services).

Protection of Environment

Administration, inspection and operation of flood mitigation works, beach and river bank restoration, foreshore protection, removal of dead animals, derelict and abandoned vehicles.

Includes the development, monitoring and operation of pollution and noise control, soil erosion, contributions etc., to the Swan River Conservation Board and other waterway management authorities.

Exclude the cost of destroying animals and the cost of impounding vehicles (Law, Order and Public Safety).

Cleaning and maintenance of beaches and foreshore areas is to be shown under 'Recreation and Culture'.

Community Amenities continued.

Town Planning and Regional Development

Administration, inspection and operation of town planning and regional development services. These include planning control, the preparation of town planning development schemes, zoning and rezoning.

Includes costs associated with the purchase and resumption of land for public open space, community facilities etc. for the expansion or development of this program.

Excludes outlays on town planning development schemes wherein the owners of land within the particular schemes are responsible on a contributory basis for the land development costs incurred by Council in the scheme area.

Other Community Amenities

The provision, supervision and operation of community amenities that cannot be assigned to one of the preceding groups.

Includes outlays on public conveniences, statues, pedestrian shopping malls, drinking fountains, cemeteries, crematoriums, rest centres, bus shelters, street seats and other street furniture.

Where these facilities are provided in association with another program, eg. public toilets on recreation grounds, they should be classified under 'Recreation and Culture'.

Transport

Streets, Roads, Bridges, Depots

Administration, regulation and operation relating to the provision of streets, roads and bridges under the control of the local government and the Commissioner of Main Roads.

Includes roads and bridges as well as corresponding drainage works, kerbing, road verges, roundabouts, median strips, footpaths, private streets, crossovers and approaches, overpasses, underpasses, road signs and names, street crossings, line marking, street lighting, street trees and street cleaning.

Road Plant Purchases

Purchase of plant used predominantly for the construction and maintenance of streets, roads, bridges, etc.

Parking Facilities

Administration, regulation, control and operation of both on and off street parking areas, multi purpose and fee paying car parks including those adjacent to sport and recreation facilities such as beach parking, football ground parking, etc.

Where parking is provided in conjunction with specific facilities such as libraries or recreation centres those costs should be allocated to the 'Recreation and Culture' program.

Traffic Control (Vehicle Licensing)

Operations relating to the licensing or regulating of traffic under the control of the local government. Includes vehicle registration (plates, discs, stickers), vehicle examination expenses and examination facilities.

Commissions received for the issue of licences should be assigned to Private Works under 'Other Property and Services'.

Aerodromes

Administration, provision and operation of airports, runways, terminals and other facilities associated with the provision of aerodromes.

Water Transport Facilities

Administration and operation of water transport facilities such as wharves, ferries, jetties, marinas and boat ramps predominantly used for commercial activities.

Economic Services
<p>Rural Services</p> <p>Agricultural drainage schemes, flood mitigation and the eradication of fruit fly, noxious weeds, (pest plants) and vermin control in rural areas.</p> <p>Include veterinary schemes, clinics and subsidies in providing these services.</p>
<p>Tourism and Area Promotion</p> <p>The development, promotion, support, research, operation, etc. of tourism and area promotion to attract tourists, promotion to attract tourist development such as brochures, contributions to tourist promotion schemes.</p> <p>Include tourist bureaus, information offices, information bays, roadside bays, scenic lookouts, caravan parks, chalets and camping areas.</p>
<p>Building Control</p> <p>Administration, inspection and operations concerned with application of the building standards.</p> <p>Includes examination, processing and inspection services, swimming pool inspections, etc.</p>
<p>Saleyards and Markets</p> <p>Administration, regulation, inspection and operation of saleyards and markets where sales of rural produce, livestock and other goods are conducted.</p>
<p>Plant Nursery</p> <p>The provision and operation of a plant nursery used to raise plants for sale or use in the community and the local government's operations.</p> <p>All stock issues should reflect the cost of propagation and be allocated to the program in which they have been used.</p>
<p>Economic Development</p> <p>The development, promotion, support and research of economic development issues within the community.</p> <p>Include contributions to business centres and incentives provided for local economic development.</p>
<p>Public Utility Services</p> <p>Revenues, charges and outlays associated with the development of electricity, gas and water supply including electricity extension, water supply (standpipes, reticulated schemes, etc.), reticulation systems and undergrounding power.</p>
<p>Other Economic Services</p> <p>The provision, supervision and operation of economic services that cannot be assigned to one of the preceding sub-programs.</p> <p>Includes public weighbridges, quarries and gravel pits, Hot-mix plants and community bus services.</p>

Other Property and Services continued.

Unclassified

Outlays that cannot be assigned to one of the preceding programs and sub-programs.

These will include sale of miscellaneous land, assistance to victims of droughts, floods and bushfires and programs such as unemployment schemes, apprenticeship and training which can not be assigned to another program.

Town Planning Schemes

Administration, planning, support, operation etc., relating to the betterment of land within a defined scheme area, whereby the sum total of scheme costs is payable by the owners of the existing lots within the scheme area on a contributory basis.

Betterment of land shall include the creation of new lots, roads, pedestrian access ways, public open space, drainage, lighting, water, sewerage and other costs associated with work in the scheme area.

8. MATTERS BEHIND CLOSED DOORS

Nil

9. DATE OF NEXT MEETING

9 February 2016.

10. CLOSURE

The Chairperson closes the meeting at 3.16pm.