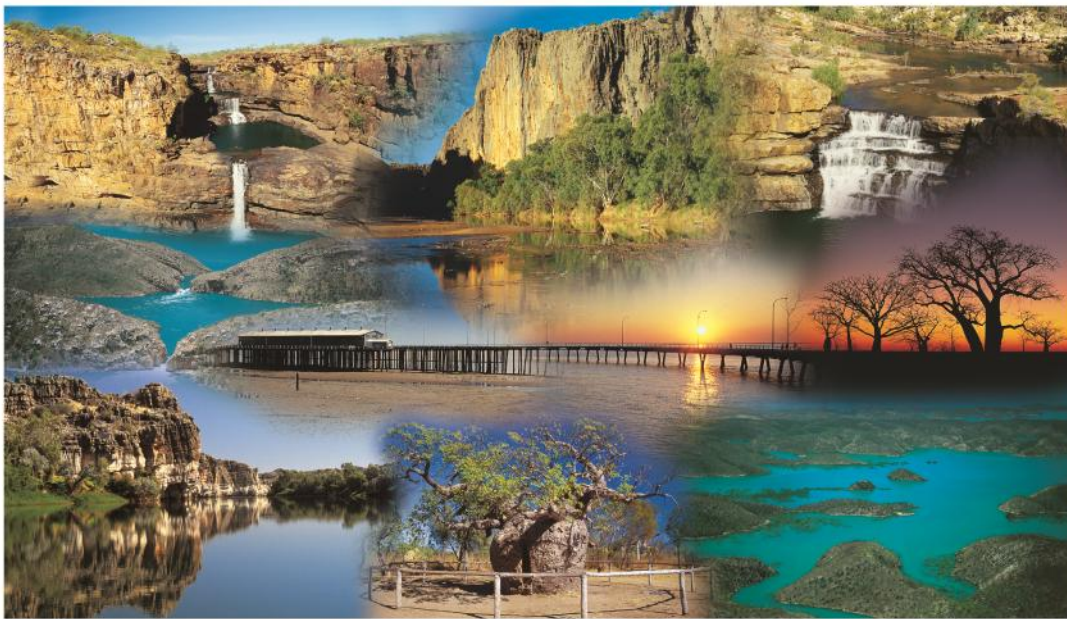


SHIRE OF DERBY WEST KIMBERLEY



AROUND DERBY / WEST KIMBERLEY • WESTERN AUSTRALIA



ANNUAL REPORT 2014 – 2015

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ADMINISTRATION DETAILS

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OUR VISION

A friendly and diverse place with awesome opportunities

OUR MISSION

To provide leadership, infrastructure and services that meet the needs of the local and wider communities

OUR VALUES

RESPECTFUL by being helpful, friendly and supportive

INTEGRITY through honesty, accountability and ethical behaviour

LEADERSHIP by the Shire at the local and regional level and through encouragement of community leaders

KNOWLEDGEABLE by being well informed and accurate in what we do

BUILDING GOOD RELATIONSHIPS by being communicative, responsive and inclusive

An Overview of the Shire's Strategic Goals and Outcomes are:

Community Wellbeing – A diverse, caring and safe community providing opportunities for all its people

- Accessible health and family support services that meet the needs of our community
- Public and environmental health protection
- Access to affordable housing options
- An inclusive and participative community
- An inclusive and participative community
- Sport, recreation and leisure opportunities that support community health and well-being
- Opportunities for development and participation of our youth
- Quality of life for the aged and disabled
- Access to learning, cultural and arts opportunities that support community growth and diversity
- A safe and responsible community

A Balance Between the Natural and Built Environments – Sustainable natural and built environments that meet the needs of the community and support future growth

- Appropriate development that enhances the unique character and heritage of the Shire's townships
- Attractive streetscapes, open spaces, parks and gardens
- Reliable and safe transport infrastructure
- Shire buildings and facilities that meet community needs
- Assets and infrastructure managed over the long term to meet current and future needs
- Protection of the natural environment
- Access to renewable energy options
- Integrated waste management
- Efficient use and management of water resources
- Safe and effective disposal of wastewater

A Strong and Diverse Local Economy – A strong local economy that is supported by a broad industry base with opportunities for business development and employment

- Local business development and employment opportunities
- A strong and diverse industry base providing community benefits
- A vibrant and strong tourism industry
- Appropriate infrastructure that supports economic development

Good Governance and an Effective Organisation – Leadership that provides strategic direction for the community, supported by efficient and effective service delivery

- Effective governance and leadership
- Effective engagement with the community and stakeholders
- Accessible and effective customer services and information systems
- Financial sustainability and accountability for performance
- Skilled, committed and professional staff in a supportive environment

OUR COMMUNITY

The Shire of Derby West Kimberley originated as the West Kimberley Road Board in 1884, in 1961 the name was changed to the Shire of West Kimberley and a further name change occurred in 1983 to the current name of the Shire of Derby West Kimberley.

The Derby town site was declared under the Land Act on 27 November, 1883 and was occupied by a Government Resident and a police detachment. Several stations existed by this time and Yeeda's wool awaiting shipment was swept away by a tidal wave resulting from the Krakatoa volcanic explosion in Indonesia.

The town was named after Edward Henry Stanley, Lord Derby (1826-1893), Secretary of State for Colonies 1882-1885.

The Shire of Derby West Kimberley covers a vast area of 118,560 square kilometers and is located more than 2,300 kilometres north of Perth. In our Shire there are 54 Aboriginal communities and three towns. Derby and Fitzroy Crossing being the main population centres with a third township at Camballin.

Derby is the major centre of the Shire and this is where the main Administration Centre is located.

The Shire of Derby West Kimberley offers its residents a unique and unparalleled way of life. On our doorstep are some truly stunning and untouched wilderness like the famed Buccaneer Archipelago, National Parks and gorges, the mighty Fitzroy River and the Gibb River Road. These pristine environments offer us the opportunity to get out camping, fishing and four wheel driving and many are just an hour away.

Derby remains a supply point for an important part of the Kimberley's pastoral, mining, oil and tourist industries and is the western terminus of the scenic Gibb River Road, which traverses some of the Kimberley's most spectacular cliff, river and gorge country.

The Port, once important for sheep and cattle exports, was also a key facility designed for the export of zinc and lead from the mines of nearby Fitzroy Crossing. The Port's major focus currently services barging operations, mining and other coastal activities with the Derby Wharf providing an excellent vantage point from which to fish, catch mud-crabs or view the amazing tides and abundant bird life.

OUR ABORIGINAL HERITAGE

The area now known as the Shire of Derby West Kimberley has a diverse Indigenous Australian heritage. Across this area a large number of language and cultural groups have a long history that predates European contact.

Generally, across this area the cultures and traditions of the desert and Kimberley meet. Traditionally, prior to contact, Aboriginal people from the Warrwa, Bardi, Jawi, Ngarinyin, Worrorra, Nyikina, Mangala, Unggumi, Bunuba, Walmajarri and Gooniyandi language groups (among others) would interact for law and ceremonial business.

The movement of people from traditional lands and lifestyles began with the influence of missionaries, the establishment of pastoral enterprises, government ration stations and later the establishment of facilities such as the leprosarium outside of Derby.

It was after the Pastoral Wage decision in 1968 that the movement to towns like Derby and Fitzroy Crossing accelerated with people no longer being able to stay on pastoral stations.

The Shire of Derby West Kimberley provides a number of services to remote Indigenous communities including an Environmental Health Program, service delivery agreements for two major communities and is leading efforts to establish partnerships in the post Aboriginal and Torres Strait Islander Commission environment that will continue to improve the way that contracts for road maintenance and in the future other municipal services are delivered.

The Shire of Derby West Kimberley was one of the first local government authorities in Western Australia to progress towards an Indigenous Land Use Agreement with the Nyikina/Mangala peoples, which will recognise them as the native title owners for a specific area of the Shire and committing to a process of involvement and consultation for future works. The ILUA was finalised and registered in 2005/2006.

This relationship is not without challenges with increases in service delivery to Indigenous Communities a growth area. However, commensurate increases in resources from other government agencies are not always provided.

As town based Indigenous Reserves seek to standardise municipal services such as roads, street lighting, power and water supply the same issues must be overcome.

The Shire of Derby West Kimberley looks forward to an ongoing partnership with Indigenous organisations to improve the well being of our Indigenous communities and residents.

LOCAL INFORMATION

□ Western Australia Area	2,525,500 km ²
□ Shire of Derby/West Kimberley Area	118,560 km ²
□ Shire Population	8,941
Derby	4,190
Fitzroy Valley	2,689
Other	2,062
□ Distance from Perth	
via Great Northern Highway	2,383 km
via North West Coastal Highway	2,500 km
□ Average Annual Temperatures	
Derby	Mean Max 33.9°C Mean Min 21.7°C
Fitzroy Crossing	Mean Max 35.6°C Mean Min 19.2°C
□ Average Annual Rainfall	
Derby	621.8 mm
Fitzroy Crossing	540.1 mm
□ Sealed Roads	91.95 km
Unsealed Roads	1814.40 km
□ Number of Electors	3,674
□ Number of Dwellings	1,856
□ Total Rates Levied	\$6,495,483
□ Operating Revenue	\$20,322,682
□ Shire Employees (FTE)	84.7

SHIRE OF DERBY WEST KIMBERLEY

2014/2015 – COUNCILLORS



SHIRE PRESIDENT
CR ELSIA ARCHER
TERM ENDS 2017



DEPUTY PRESIDENT
CR ROSS SULLIVAN
TERM OCTOBER 2013 – FEBRUARY 2015



DEPUTY PRESIDENT FROM FEB 2015
CR IRIS PROUSE
TERM ENDS 2015



CR ANDREW TWADDLE
TERM ENDS 2015

SHIRE OF DERBY WEST KIMBERLEY

2014/2015 – COUNCILLORS



CR PETER MCCUMSTIE
TERM OCTOBER 2013 – OCTOBER 2014



CR CHRIS TRAVER
TERM ENDS 2015



CR JUNE OSCAR
TERM ENDS 2015



CR ANNETTE KOGOLO
TERM ENDS 2015



CR LAURIE SHAW
TERM OCTOBER 2013 – 2017

OUR ORGANISATION

OUR STRUCTURE

The management structure of the Shire of Derby West Kimberley is divided into three key service delivery areas under the overall management of the Chief Executive Officer (CEO).

Executive Team

Executive Managers are appointed to each of the departments within our organisation for the direct management of Corporate Services, Technical and Development Services and Community Development.

Corporate Services

Financial Management and Administration are Corporate Services primary functions are managed centrally through the Derby Administration Office located at 30 Loch Street, Derby.

The Administration Office is often referred to as the 'Main Building' and accommodates the CEO, Executive Manager Corporate Services and the Finance and Administration employees.

The Fitzroy Crossing Visitor Centre is located on the Great Northern Highway in Fitzroy Crossing. This is operated by the Shire of Derby West Kimberley. This building contains the Visitor Centre, the Shire of Derby West Kimberley Office and the Library. The Fitzroy Crossing Area Manager is located here and three employees. All the employees in this office are multi-skilled in Customer Service, Library and Department of Transport's Police Licensing Services.

Technical and Development Services

The Technical and Development Services section is located at Coleman House – 24 Loch Street, Derby. This office houses the Executive Manager of Technical and Development Services, Health, Engineering and Planning Staff.

Community Development

The Community Development Department operates from the Kable Agencies Building on Clarendon Street, Derby and undertakes provision of Local Government services for minority and disadvantaged groups, social planning and cultural services, sports and recreational facilities such as ovals, parks, swimming pool, libraries and public halls.

SHIRE PRESIDENT'S REPORT



2014-15 has been a difficult year as we continue to feel the effects of the downturn of the mining industry and changes to Government Policy. It has however, presented opportunities for strong partnerships that we hope will benefit the community into the future.

The Shire continues to work on promoting opportunities in the West Kimberley to Government and industry around agriculture in the Fitzroy Valley, oil and gas logistics support, mining and energy exploration in the Canning Basin and beyond, and tourism. While the housing down turn at the moment is having an impact, it also means that Derby is well placed with more affordable and available housing to support the next wave of development opportunities.

We have seen the Mowanjum Water for Food Project come to fruition and hope it will be a model of Government Agency collaboration and agriculture investment that will open up opportunities within the region.

There continues to be a focus on projects that help the community with the start of Clarendon Street works, footpath upgrades in Derby and Fitzroy Crossing, renovations to the Fitzroy Crossing Visitors Centre and the playground upgrades at Lytton and Apex Parks.

Council has supported a change to the strategy of maintaining gravel roads to get more resources to the higher use and risk areas, and we continue to advocate for better community access.

We will continue to work hard to maximise the benefits of operating airports in both Derby and Fitzroy Crossing and the Derby Export Facility to realise benefits for the community through engaging with industry to maximise utilisation of the asset while balancing continued access and enjoyment of the community.

This coming year will see a focus on looking at community needs and evaluating the level and location of services so that we can respond to any further changes in government funding or policies around important issues that impact our community.

I would like to thank the community for their support over the year and my fellow Councillors and dedicated staff for their efforts.

COUNCILLOR ELSIA ARCHER

SHIRE PRESIDENT

CHIEF EXECUTIVE OFFICER'S REPORT



The Shire has faced challenges over the last year in relation to the economic downturn of the mining sector and the closure of the Curtin Detention Centre. While this has led to population and economic pressures it also makes us well placed to make the most of emerging opportunities.

The Shire has direct exposure to the downturn as the operator of the Derby Port, and Curtin and Derby Airports, which has resulted in significantly decreased activity and revenue. We are looking at ensuring the finances and structure of the Shire has the resilience to cope with these cycles, while still preserving community services.

As a result of the reduced activity and timing of the Kimberley Ports Authority changes the planned loans for the Derby Wharf and Airport improvements were not drawn down and will be considered in 2015/2016.

During 2014/15 the Shire focussed on improving its asset management and in particular the levels of service for gravel roads which we hope will better target expenditure to areas of higher need.

Our services in Fitzroy Crossing and Derby have expanded with the Shire taking over the Transport Vehicle Licensing and extending the hours, and there has also been extension of recreation and club development services.

This report details activities and achievements from the various Shire operations and we look forward to continuing to serve our community.

STEPHEN GASH

CHIEF EXECUTIVE OFFICER

TECHNICAL SERVICES

TECHNICAL SERVICES

The Technical Services Section undertakes capital construction, major maintenance works, and the routine maintenance of hard infrastructure within the Shire. To undertake these required activities a portion of funding is derived from external grant funds being various Federal and State Government agencies and from other Council income streams.

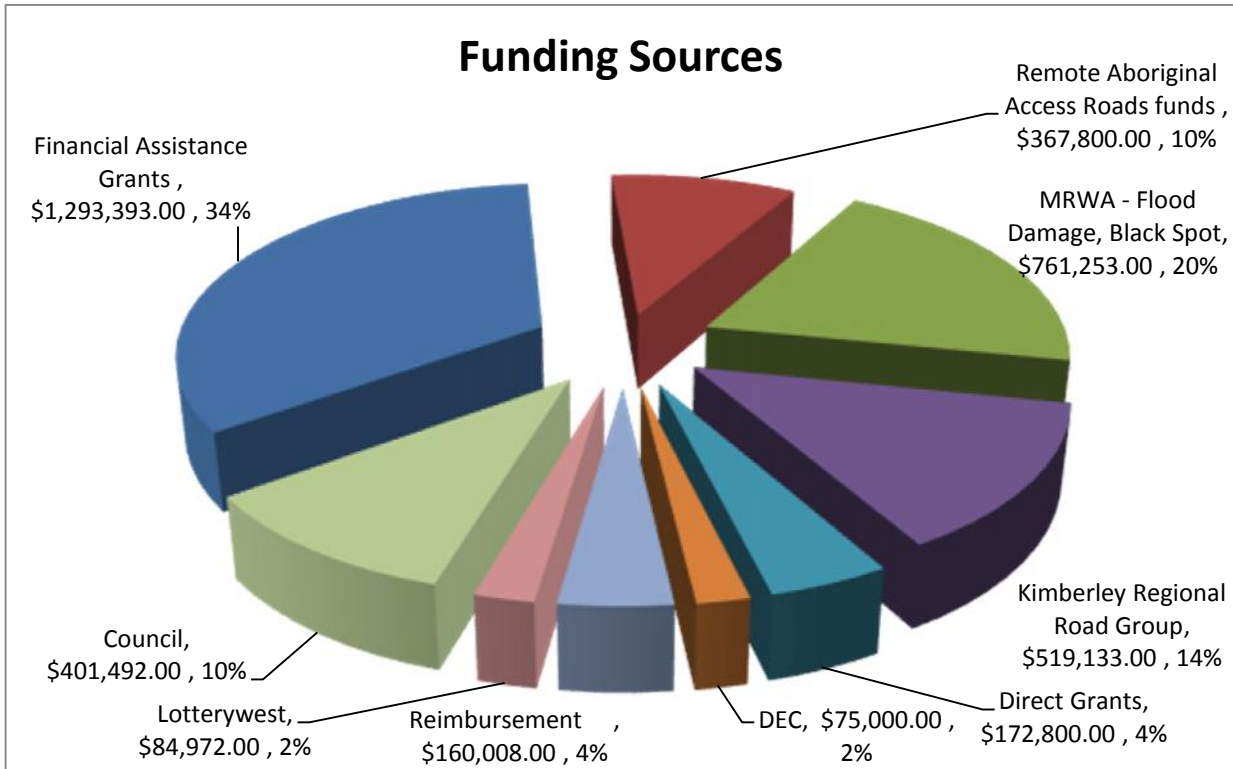
Granted Revenue

External funding is the major income stream for capital works and major maintenance of Councils assets and in the 2014/2015 financial year external Australian or Western Australian Government provided funding to the Shire of Derby West Kimberley totalled approximately 3.2 million dollars. There was a large carry forward of approximately 2.1 million dollar's worth of road works from the 2013/2014 financial year which is not shown on the funding income for the financial year of 2014/2015.

The major external funding agencies providing grants or contributions to the Shire of Derby West Kimberley are:

- Kimberley Regional Road Group (RRG) – funding administered by Main Roads Western Australia (MRWA);
- Australian Government General Purpose Grants.(Distributed through the Grants Commission);
- WA Government Remote Access Road Funds (RAR);
- Main Roads Western Australia (MRWA) Direct Grant for Roads;
- Department of Parks and Wildlife – Access Road Funds;
- Main Roads Western Australia – Western Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA) claim (Flood Damage);
- Lotterywest.

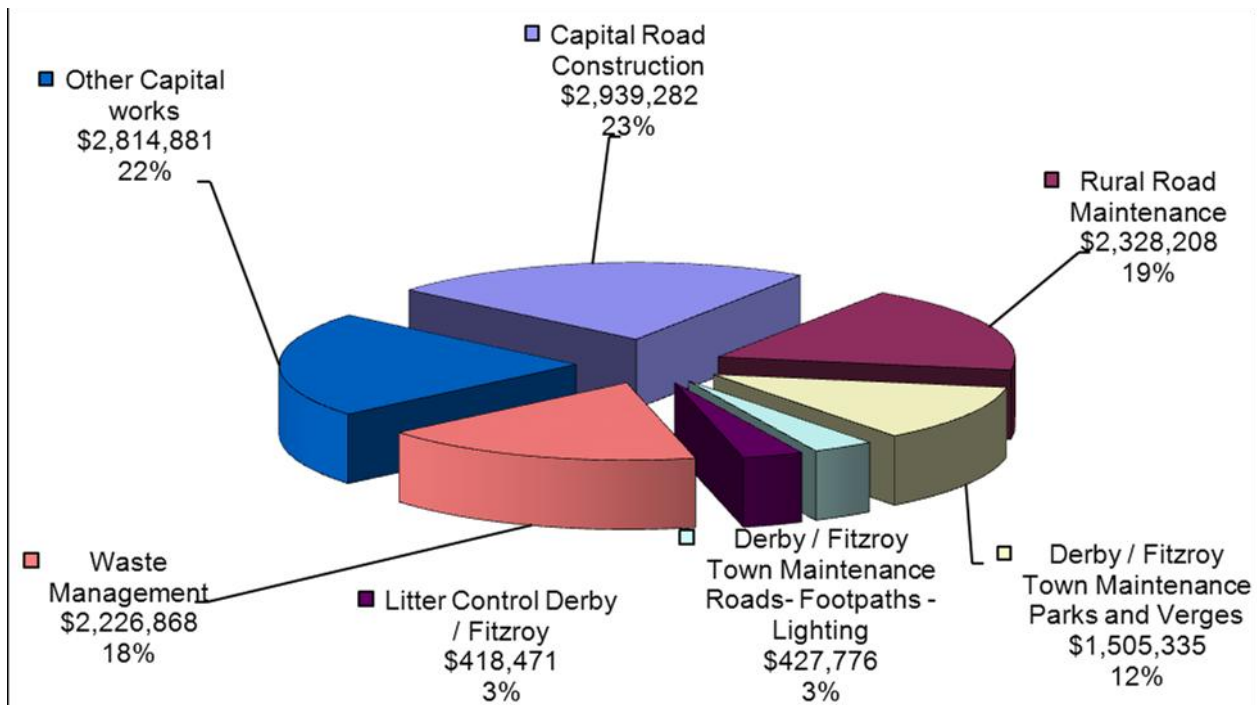
2014/2015 CAPITAL GRANT FUNDING INCOME - \$3.8 MILLION



Expenditure

Expenditure on Councils major capital assets and maintenance operations undertaken in the 2014/2015 financial year totalled approximately \$12.7 million.

2014/2015 TECHNICAL SERVICES EXPENDITURE – \$12.7 MILLION



Technical Services Functions

Major capital construction projects undertaken in the 2014/2015 financial year were:

Road Construction

Contractors undertake the major capital construction works for the Shire of Derby West Kimberley.

A selection of the major projects undertaken within the road construction section:

- Forrest Road
 - Expenditure \$460,350
 - Funding Assistance from :Regional Road Group, FAGS and Council Funding

- Flood Damage – Various Rural Roads
 - Expenditure \$1,095,480
 - Funding Assistance from: WANDRAA Funding and Council

- Anderson Street (High School Carpark)
 - Expenditure \$363,729
 - Funding Assistance from: Direct , FAGS and Department of Education

- Noonkanbah Road
 - Expenditure \$255,299
 - Funding Assistance from: RAAR Funding

- Cherrabun Road
 - Expenditure \$146,960
 - Funding Assistance from: RAAR Funding

- Clarendon Street (Stage 1)
 - Expenditure \$127,576
 - Funding Assistance from: Regional Road Group, FAGS and Council funding

This is not an extensive list but purely a snapshot of some of the works that were completed.

Maintenance Works

The following are major undertakings by Council in the regular maintenance of Council facilities:

- Rural Road Maintenance Grading,
 - Council's contractors have undertaken three maintenance grades per year, on Councils roads being an opening up grade, mid term grade and a closing up grade.
 - Expenditure for remote rural road maintenance of Shire of Derby West Kimberley roads was \$2,328,208
 - Total kilometres of remote unsealed roads required to be maintenance graded is 1725.16 km
 - Total kilometres of unsealed roads to be maintenance graded within the environs of Derby or Fitzroy Crossing is 35.43km.

- Derby and Fitzroy Crossing Town Maintenance (inclusive of all reticulation, playground equipment maintenance, mowing and verge slashing, street cleaning) with expenditure of \$1,505,335 for the 2014/2015 period.

- Derby and Fitzroy Crossing Town Street Maintenance (inclusive of all street and town road maintenance, footpath maintenance, drainage maintenance) with expenditure of \$427,776 for the 2014/2015 period.

Summary

The Department has achieved most of its goals within the 2014/2015 year, which has been made achievable by the employment of permanent engineering staff which in turn has helped the Department achieve many of the tasks at hand. The southern section of the Shire was affected by unusually high rainfall in pockets during January 2015 with the damage being assessed in March and April with work to commence in the following financial year of 2015/2016. Road works were also undertaken on various roads to repair damage from a tropical low that occurred in early 2014.

Waste Management has been an area of concern within the Department with the costs of the service ever increasing. The Shire completed the first year of the new contract with Tox Free for the collection and management of waste in both Fitzroy Crossing and Derby. The Shire is continuing the process of working on updating both sites Operational Plans and Post Closure Plans which will then allow the Shire to undertake greater planning around the sphere of waste management into the future. More detail is contained within the Development Services Section of the report.

The Department also finalised and had adopted by Council the Gravel Roads Asset Management Plan which includes a new Road Maintenance Strategy. Tenders were sought and let to companies for the work in the strategy with monitoring of the road network to continue into the future. Operations of the outside workforce are continually being reviewed to see if positive changes can be made to the operations effectiveness.

This Department once again faces the challenge of completing another large capital budget and face the challenges of staff shortages once again. It is our aim that the Department will work towards minimising the carry forward into the 2016/2017 budget by undertaking works in a timely and planned manner to ensure the best results for Council.

As Executive Manager for a diverse area of activities undertaken within the Shire of Derby West Kimberley, I would like to once again express my sincere thanks and gratitude to all of the staff that have helped achieve the goals set for the Technical and Development Services and all their hard work and effort during the 2014/2015 year.

DEVELOPMENT SERVICES

BUILDING SERVICES

The Shire of Derby West Kimberley continued to experience a rapid decline in Building related functions during the financial year of 2014/15. Development and Building applications were significantly less, consequently resulting in a reduced number of Building Permits being issued following another year where development stalled as a few key services closed within the Derby town site.

The Shire also made a significant administrative change to the way in which building applications and permits are processed. An internal building surveyor is no longer employed with building services contracted out to an external private contractor. The Executive Manager of Technical Development Services and Manager of Development Services, collaborate to process Uncertified Building Applications. Certified Building Applications are sent to an external private contractor for review before the Shire issues Building Permits for class 1b and class 2 to 9 building classifications. The data set below indicates that no Certificate of Design Compliance documents were issued during this reporting period and this is a direct reflection of the Shire's administrative change to building services as this was a function of the internal building surveyor previously.

The external private contractor has been a great support to the Shire Building Services and the administrative change has proved to be an effective cost saving mechanism for the Shire without any loss of service.

The following table provides an overview of the planning / building work undertaken for this reporting period -

Functions	2013/2014	2014/2015
Development Applications	60	27
Scheme Amendments	2	6
Building Applications (all Types)	137	81
Building Permit Approvals	71	57
Demolition Permit Approvals	12	10
Certificate Design Compliance	40	0
Certificate Building Compliance	4	0
Building Approval Certificate/Strata	9	2
Building Approval Certificate	1	1
Building Value	\$27,516,323	\$27,148,990

SHIRE OF DERBY WEST KIMBERLEY

The number and diversity of developments/constructions are demonstrated below (some building Permits were issued for multiple projects) –

Location	Dwellings	Other Structures	Swimming Pools	Total
Derby	8	40	3	51
Fitzroy Crossing	0	5	1	6
Aboriginal Communities	3	4	0	7
Stations	0	0	0	0
Mines	0	0	0	0
Camballin	11	49	4	64
Other	0	0	0	0
Total	22	98	8	128

STRATEGIC PLANNING

Planning for Aboriginal Communities

The Shire continues to have an ongoing role in the preparation and finalisation of Community Layout Plans (CLP). In this regard, the Shire has sought to foster close working relationships with the Western Australian Planning Commission (WAPC) and the Department of Planning (DoP) and the Department of Housing (DoH), all of whom have a direct interest in the development of Aboriginal Communities. The basic premise behind the preparation of CLP's is to provide a framework for the planning of large permanent Aboriginal communities. The CLP aim is to improve the standard of planning in Aboriginal Communities to provide a more efficient delivery of service and improved outcomes for residents while ensuring that cultural and social needs are given proper consideration.

Once CLP's have been prepared and endorsed by the Communities, the Shire and the Western Australian Planning Commission (WAPC), the CLP becomes the instrument that applications for new development are assessed against to ensure that development within these communities is undertaken in a proper and orderly manner.

Native Title Claims

There are thirteen Native Title claims within or impacting upon the Shire boundaries. To date, five claims have been determined by the Federal Court in respect to the Wanjina/Waungurr-Willinggin, Nookanbah, Ngurrara, Bunuba No.1, Gooniyandi and Nyikina Mangala Native Title Claims.

The balances of other claims within the Shire are at various stages of progress and will be actioned as individual claims are progressed by the claimant groups.

Negotiations which are led by the Applicant and the State continue on towards the resolution of the Bunuba No.2 claim which captures the Fitzroy Crossing town site and it is anticipated that the application for Native Title will be determined towards the end of 2015.

The Government has accepted that the town site area is part of the traditional lands of the Bunuba people and it is proposed that an Indigenous Land Use Agreement will be entered into by the Bunuba people, the Western Australian Government and where relevant, other parties affected by the agreement.

The resolution of this matter will see the initiatives set out within the Fitzroy Futures Town Plan which will assist in delivering new land releases to assist in the provision of much needed residential land. To facilitate this process, a Shire Native Title Working Party has been established to assist Council with its consideration of all native title matters. Native Title is considered highly relevant to the issue of governance and capacity building in communities due to the implications it raises, with regard to the recognition of responsibilities and cooperation and the effective delivery of municipal services.

The Kurungal Native Title application to which the Shire is joined as a party has also been a matter of ongoing negotiation during this reporting period. The Kurungal application lies to the south east of Fitzroy Crossing, to the south of the Great Northern Highway and covers an area of some 887 square kilometres.

It is anticipated that a Consent Determination will be held on country early in the new financial year.

Local Planning Strategy and new Local Planning Scheme for the whole of the District:

Council approved the preparation a new Local Planning Scheme in February 2015 that will provide planning control to all land contained within the Shire's district boundary.

The new Scheme will replace the two existing gazetted Schemes being Town Planning Scheme No.5 which applies to the Derby Townsite and Town Planning Scheme No.7 which applies to the Birdwood Rise Subdivision. It will also see the conversion and amalgamation of the Fitzroy Crossing Strategic Plan into the Statutory Planning Framework.

The new Scheme will be known as the Shire of Derby West Kimberley Local Planning Scheme No. 8 (LPS No.8) and will apply to all land contained within the Shire's municipal boundary and will be informed by the Shire's endorsed Local Planning Strategy.

As an interim measure to exercise planning control, the Council has sought approval from the Minister for Planning to approve an Interim Development Order to replace and expand upon Interim Development Order No.7 which had previously applied to Fitzroy Crossing and Camballin Townsites. The new Interim Development Order will apply to all land that is currently outside the areas captured by the two gazetted Schemes and will enable the Shire to influence and control development in the interim period whilst the new Scheme is being prepared.

Substantive work on the preparation of the new Planning Scheme will commence in the second half of 2015.

DERBY

Planning for the Clarendon Street Enhancement Project, which focuses on the Derby Town Centre was initiated during this reporting period. The project is being developed via a collaborative design process with input from an enthusiastic reference group and local community participants who have become actively involved in the shared journey. The aim of the Clarendon Street Project is to provide clear direction for this important business, community and tourist hub. The conceptual planning not only focuses on the physical outcomes, however is concerned with the capacity building prospects related to commercial, community and visitor needs.

Stage One of the project which focussed on addressing vehicular and pedestrian safety issues were commenced just prior to the end of the financial year and further community consultation concerning the landscaping and treatment of the space will be undertaken in the new financial year.

ENVIRONMENTAL HEALTH

Over the 2014/2015 financial year the Environmental Health Department continued its role in public health education, enforcement and compliance across various areas of the health discipline and fulfilled statutory requirements of the Food Act 2008, Health Act 1911 and the Caravan Parks and Camping Grounds Act 1995.

The Environmental Health Department maintained a strong working relationship with event organisers to ensure that Public events held within the Shire of Derby West Kimberley Municipality posed minimal risk to public health and safety and operated to a standard consistent with the Department of Health Guidelines for Concerts, Events and Organised Gatherings 2009. The Environmental Health Officer continued to have a strong inspection presence at the majority of these events which included the Boab Festival list of events and concerts, race and rodeo meets, music concerts such as Rocking the Bridge and Fitzroy Crossing Youth Concert, cultural festivals such as the Garnduwa and Bandarl Ngarri and community group events such as basketball competitions and community fundraisers. Noted improvements from previous years in regards to exit sign compliance and sufficient toilet numbers were a result of the enforcement of the Shire developed Event Application Package for the second year running.

During this reporting period the Environmental Health Department issued 47 Traders and 91 Stallholder Permits which were associated with public events and community fundraisers. Permits were issued in line with the Shire's Activities on Thoroughfares and Trading in Thoroughfares and Public Places Local Law and the Environmental Health Officer ensured stallholders met relevant standards through inspections and correspondence with applicants before approving permits.

The Environmental Health Department fulfilled statutory requirements through regular inspections and annual licensing of food premises, public buildings, lodging houses and caravan parks and camp grounds and nature based parks. A review of the inspection frequency of public buildings was undertaken and low risk premises were upgraded to an inspection frequency of biyearly (two years) as opposed to once every five years.

There were no improvement notices, infringements or seizure notices issued in relation to the above public health inspections as compliance was achieved through continual education and awareness with proprietors.

The numbers of health inspections conducted during this reporting period are detailed in the table below –

Type of Inspection	Number of Health Inspections for 2014/2015
Food Premises	118
Public Buildings	27
Lodging Houses	17
Caravan Parks, Camp Grounds and Nature Based Parks	24
Total	166

In relation to food premises compliance, the Environmental Health Department subscribed to, and implemented the 'I'm Alert' education and hygiene program for food handlers. The free online training program is designed to assist food handlers in developing their food safety and hygiene skills. The program was well received by food businesses as it was accessed by 75 users during the 2014/2015 financial year.

Legislative responsibilities in relation to recreational and drinking water sampling were fulfilled through monthly water samples collected from sites in Derby and Fitzroy Crossing.

Nineteen Wastewater Applications were received, assessed, processed and final inspections conducted post installation for developments within the Shire, not connected to sewer.

Mosquito control activities were consistent with the prior reporting period as the 2014/2015 wet season was again below average. Mosquito control activities included a mixture of weekly larval dipping and surveying of breeding sites; trapping and mosquito identification; chemical application involving both adulticiding and larviciding; and a public education and awareness campaign involving letter box drops and posters on community notice boards. A total of 35 mosquito sites were chemically treated using three application methods. Seventeen units of Briquets, 21.8Kg of Vectobac and 4.2L of Biflex Aquamax were used for chemical treatment. Fortnightly chicken bleeding of 24 chickens at two sites in Derby and 12 chickens in Fitzroy Crossing as part of the Department of Health's sentinel chicken program continued. An on-going mosquito complaint in the industrial area of Fitzroy Crossing and an on-ongoing mosquito complaint in the industrial area of Derby were both resolved after broken septic tanks were identified as mosquito breeding sources following many property inspections by the Environmental Health Officer. A round of trapping and mosquito identification across four sites was conducted in February at a time when the number of mosquitos was heightened. Ongoing trapping at the Water Corporation Treatment Ponds, a known mosquito breeding site of concern was also conducted during the months from December until February 2015.

The on-going noise complaint carried over from the previous reporting period in relation to noise of a refrigeration unit at a premises in Derby was resolved. An arrangement to turn off the refrigeration unit in the evenings until the morning was settled upon after consultations and inspections involving the Environmental Health Officer, CEO, complainant and premises proprietor. All public health complaints received during this reporting period were investigated and resolved by the Department within appropriate time frames.

Two properties which were declared 'Unfit for Habitation' under Section 135 of the Health Act 2011 in the previous reporting period were followed through with demolition. An additional property was declared 'Unfit for Habitation' and a health notice placed on the property. This property is marked for future demolition.

ENVIRONMENTAL HEALTH ABORIGINAL COMMUNITIES

The Shire of Derby West Kimberley provides Environmental Health Services to Aboriginal Communities within the Shire through its Aboriginal Environmental Health Unit (AEHU), made up of an Environmental Health Officer and three (3) Environmental Health Field Support Officers. The team is well established and acknowledged by most Communities and strives towards establishing and building strong relationships with Aboriginal Community people in the region, whilst developing working partnerships with relevant stakeholders to assist in the public health development in Aboriginal Communities.

Together, the team is responsible for providing environmental health services to 54 Aboriginal Communities with populations ranging from 6 to 500 people with regular service contact every 3 months. The AEHU team has established itself as an integral agency in Aboriginal Communities and has forged working partnerships with many of the service agencies operating within the Shire of Derby West Kimberley Aboriginal Communities. Solid relationships with people from these organisations make it easier to provide a more comprehensive and coordinated support network for the Aboriginal Communities in the West Kimberley. During the 2014/2015 financial year the Unit undertook a total 256 environmental health related visits to the target Aboriginal Communities.

The AEHU team undertook a wide range of responsibilities on Aboriginal Communities during this reporting period including (but not limited to); Community education and health promotion (18 sessions, 738 participants), wastewater regulation and assessment (140 assessments, 12 referrals for works, 55 applications), disease surveillance (34 notifications, 6 referrals), water monitoring (116 assessments), waste management monitoring and community cleanups (507 assessments, 25 community cleanups, 13 referrals for works), food premises (25 inspections), public buildings (2 events), pest control (158 actions, 93 referrals for works), dust minimisation projects (5 projects proposed), housing and infrastructure lobbying/reporting (87 referrals for works), advocating on behalf of Communities for funding, participation in the Environmental Health Worker Certificate training and other mentoring programs (57 joint activities), attendance at interagency and regional meetings (11 meetings). The team also assist the Shire's Environmental Health Department with mosquito control including the Sentinel Chicken Program (15 sessions) and treatments to control mosquito populations.

Continued implementation to 11 schools within the Shire of the 'No Germs on Me' hand washing campaign has been hugely successful. The program was originally created by the Northern Territory Government and has since been utilised and expanded by the Western Australian Health Department. A variety of education tools have been well distributed across the state, and have been diversified by the team. The 'No Germs on Me' jumping castle and water slide has been successful in providing a reward for children participating in Environmental Health Promotion education programs. The Unit has continued to make use of in-house developed resources including the 'Scrubbing Shuffle' and 'Wash the Germ Away' songs and five interactive hand puppets to help educate children in Aboriginal Communities about health and hygiene, trachoma, rubbish management, dog health, healthy eating and the importance of good hand washing and hygiene. During the 2014/2015 financial year there were 6 school based education sessions delivered to a total audience of 89 students.

The AEHU Team participated in the Holman Review (2014) - "A Promising Future: WA Aboriginal Health Programs". This was an external review of all the current Aboriginal Health Programs funded by the Government of Western Australia. As part of this review a program report, promotional flyer and presentation were delivered to assist Emeritus Professor D'Arcy Holman to best understand the Shire program and the innovation and positive outcomes the AEHU Team delivers.

The AEHU Team developed and continues to implement a referral system in partnership with community based clinics and other relevant service providers. The system aims to improve health outcomes by investigating and remedying environmental causes of disease in the patient's living environment in conjunction with clinical treatment. Six (6) referrals were handled during the 2014/2015 financial year.

As an aid to the referral initiative the Shire obtained over 120 mattresses plus sets of linen, bedding and other household goods including white goods, utensils and appliances from the Curtin Immigration Detention Centre after its closure. These resources can be provided to patients and other occupants of their homes to assist them to live in an environment more conducive to better health outcomes. The resources have also been used as prizes during community clean ups or 'Healthy Skin' days to encourage and assist Community residents to better health.

The AEHU is also responsible for The Dog Health Program. In the 2014/2015 financial year the Shire continued to use the 2013/2014 grant funding received from FaHCSIA to carry out a dog de-sexing program in certain Aboriginal Communities within the Shire. The program has and will continue to have an immeasurable impact on the number of dogs in the target Aboriginal Communities and will have subsequent positive effect on human health. During the 2014/2015 financial year 221 dogs (both male and female) were de-sexed and 94 puppies were not born.

As part of the ongoing Dog health program the AEHU team provided 147 dog health related visits to communities delivering 3,941 treatments of dogs with Cydectine (moxidectin) to treat for mange and intestinal parasites and 38 injections of dogs with Covinan (proligestone) contraceptive (down from 144 in 2013/2014 largely due to the success of the de-sexing program).

The profile of Aboriginal Environmental Health has continued to grow in recent years as we now move to provide equity and equality for all Australians. The Shire of Derby West Kimberley is ideally placed and committed to providing an ever expanding range of environmental health services to Aboriginal Communities promoting a healthy and safe lifestyle for future generations.

Waste Management

Over the 2014/2015 financial year Development Services further examined all areas of Waste Management which included the Waste Management Facility site operations by way of a contractual review and the implementation of an electronic waste management system called Mandalay.

A financial report of waste services was developed by Ask Waste Management in consultation with information provided by Development Services, which although still in draft form identified current issues and areas for cost improvement. A draft Landfill Management Plan for the Derby Waste Management Facility was also developed which triggered a contractual review of waste contractors Tox Free. As a result processes and procedures occurring at the Waste Management Facilities were examined to ensure ongoing compliance with the waste contract and Department of Environment and Regulation (DER) licenses. Research around whole of life waste management processes at the Waste Management Facilities continued.

In regards to the Fitzroy Crossing Waste Management Facility, the asbestos and tyre cells were opened at the new landfill site adjacent to the existing landfill site used. The existing landfill site reached capacity and stages of closure were initiated in accordance with the site's Closure Plan. A DER Compliance inspection was conducted in June 2015 of which no issues were identified.

In regards to the Derby Waste Management Facility, funding was applied for and approved by the WA Waste Authority to purchase baling equipment and glass pulverising equipment to improve the efficiency of the drop-off recycling program. The project was scoped in a project management plan for additional funds to be requested in the 2015/2016 Budget by the Manager of Development Services and Environmental Health Officer. During the reporting period, 131 tonnes of waste was recycled across the waste streams of paper and cardboard, glass, aluminum cans, steel cans and plastics.

The successful implementation of the Mandalay Waste Management System was a major project for Development Services. The Mandalay system is capable of electronically capturing waste information at the gate of the Derby and Fitzroy Crossing Waste Management Facilities such as the different waste streams, quantities of waste, commercial client details and licence plates. The system allows the Shire to be more streamlined and efficient with waste fee invoicing and reporting processes.

A hydrogeological assessment of the Derby and Fitzroy Waste Management Facilities was put to tender and a contract was awarded to establish groundwater monitoring bores and produce a hydrological report of both sites. This project was instigated to comply with a specific environmental condition on the DER licenses.

All reporting to the DER which included the Annual Environmental Report, Annual Audit Report, National Pollution Inventory and Waste Census was completed and submitted.

On-going solutions for appropriate treatment of waste water from Septic Tanks and Grease Traps continued to be scoped. The CEO initiated discussions with the Director General of the DER to move forward with an appropriate solution.

RANGER SERVICES

Ranger Services have continued to work in a dynamic, resourceful and creative way across a diverse range of areas covering statutory responsibilities, corporate requirements and community and customer expectations. During this reporting period, Ranger Services have implemented many new initiatives to improve on efficiency, education and compliance within the community such as new signage and regular distribution of educational flyers for verge collections, fire hazard mitigation, dog/cat registration, cyclone preparedness, household waste bin management and recreational vehicle management.

Ranger Services have had a strong presence at public events and in the community whilst on patrol where they have been able educate and inform the public on requirements across a range of topics including those listed above. Ranger Services will continue to strive to deliver positive outcomes within the community.

Dog Control

Ranger Services promote responsible dog ownership and assist the public to achieve compliance in regards to dog control. The Rangers deal with many issues surrounding dogs which are often of varied complexity and are emotionally charged. By establishing mutual understandings, workable relationships, and agreed outcomes between Shire Rangers and dog owners, lasting change is often achieved.

During this reporting period, over 50 dogs were impounded by negotiation or surrendering voluntarily. In regards to low voltage collar systems, 35 were purchased over the Shire counter with additional collars and accessories also distributed. Currently there are 589 registered and 285 microchipped dogs with the Shire.

Dog impound record 1 July 2014 – 30 June 2015

Location	Impounded	Male (M)	Female (F)	Ret to Owner	Re-Homed	Re-Located	Destroyed
Derby	214	109	105	89 (M) 48 (F) 41	13 (M) 8 (F) 5	8 (M) 4 (F) 4	104 (M) 49 (F) 55
Fitzroy Crossing	17	14	3	3 (M) 3 (F) 1	1 (M) 1 (F) 0	0	13 (M) 11 (F) 2
Communities and Camballin	4	2	2	0	0	0	4 (M) 2 (F) 2
Total	235	125	110	92 (M) 50 (F) 42	14 (M) 9 (F) 5	8 (M) 4 (F) 4	121 (M) 62 (F) 59

Cat Control

The requirement for cat owners to sterilize, microchip and register their cats has been in effect since November 2013 via The Cat Act 2011. The demand for Ranger Services to provide cat traps to collect feral, un-owned and unwanted cats continued and 121 cats were collected and destroyed during this reporting period. Currently there are 62 cats registered and microchipped with the Shire.

Cat Record 1 July 2014 – 30 June 2015

Location	Un-Wanted	Trapped – Un-Owned	Destroyed
Derby	10	61	71
Fitzroy Crossing	0	50	50
Total	10	111	121

Animal/Wildlife Control

Ranger Services received numerous calls on injured wallabies, cattle, birds, wildlife and animal welfare throughout the reporting period which required assistance, direction and information. Ranger Services responded timely to a number of calls to assist with issues on straying stock/horses, roosters and snake/reptile relocation of which calls, complaints and enquiries are always constant.

Local Laws

Litter and Itinerate campers within the Shire town sites, is a constant challenge for Ranger Services. Issues with littering often arise when people from outer communities gather in town and congregate in large numbers which often involves the consumption of alcohol. During this reporting period Ranger Services were able to, on many occasions, instigate clean up's in known litter hotspots where they required those congregating in these spots to fill two bags of rubbish at times organised jointly with police operations. This resulted in the collection of hundreds of bags of rubbish and a notable difference in the appearance of these litter spots in the short term. Although successful, this clean up method is not sustainable as it requires ongoing time, resources and commitment on a regular basis. The Short Stay Aboriginal Hostel on Ashley Street which opened in August 2014 has provided one solution to this problem.

There was a spike in other offences relating to Local Law matters at the beginning of 2015 such as unauthorised use of the verge, disabled parking bays, illegal dumping, abandoned vehicles, illegal camping, and drinking on Shire Reserves. However, Ranger Services have seen improvement and cooperation over time.

Fire Control Measures

During the dry season, Ranger Services responsibilities for administering the Bush Fires Act 1954, which involves compliance and mitigation of fire risk, make up the majority of their activities.

During this reporting period Ranger Services, with the valuable assistance of volunteers from Hamlet Grove Bush Fire Brigade (HGBFB), Liveringa Station, Camballin, Ken McLeod and the Fitzroy Crossing Volunteer Emergency Services (FXVES) Unit conducted their own fire control program. A week was set aside to conduct extensive hazard reduction burning in and around the Shire's Townsites. After the unpredictable fire events that followed, the program proved to be, on multiple occasions, an invaluable investment of time and resources for the protection of the community and assets.

Ranger Services issued 97 permits to burn in a 5 week period which involved ongoing consultation with many other organisations and burning programs as well as investigations and research before the permits were issued. Early curing

was experienced this year which resulted in the window of opportunity to conduct prescribed burning to close by mid-May. The issuing of Permits ceased accordingly at this time.

Ranger Services conducted inspections on every property within the Shire and then followed up with non-compliant property owners by working with people to achieve compliance. Rangers received over 100 emails regarding fire/hazard related information during this reporting period. This may increase during the next financial year as there is an expectation that Fire break inspections and compliance may be enforced on the larger remote Aboriginal Communities. Ranger Services also implemented a pilot plan for herbicide treatment on a number of the perimeter fire breaks during this reporting period. It is anticipated that subsequent treatments will eradicate regrowth and reduce the need for ongoing treatments as well as help with reducing erosion and trenching of tracks from constant heavy machinery use.

The Department of Fire and Emergency Services displayed an improved representation to fire control and response within the Shire boundaries. The Kimberley Land Council Ranger Groups were proactive and effective with their hazard mitigation programs and their crews were active and highly valued with their control of local fires. Pastoralists were an invaluable resource and have been generous in spirit, manpower and machinery to not only battle fires on their own lands but also committing hours assisting others.

WAYNE NEATE

EXECUTIVE MANAGER

TECHNICAL AND DEVELOPMENT SERVICES

COMMERCIAL SERVICES

The Commercial Services Department within the Shire of Derby West Kimberley controls and operates the following facilities:

- Curtin Civilian Aerodrome – Jet Air Services to Perth and in conjunction with associated mining charters, major jet aircraft charters;
- Derby Airport – General aviation requirements inclusive of charter companies for mining and tourist destinations, the West Kimberley RFDS base, hanger bases utilising helicopter and/or fixed wing aircraft for maintenance and charter operations;
- Fitzroy Crossing Aerodrome general aviation – RFDS servicing – RPT air services being – Broome – Fitzroy Crossing – Halls Creek and return; and
- Derby Wharf Facility.

The Shire of Derby West Kimberley controls and operates significant air and sea port infrastructure that is critical to the operation of projects associated with existing resources and exploration, tourism, aquaculture as well as emerging agricultural opportunities. In enabling this activity, the infrastructure serves economic development and opportunities for associated supporting industries and most importantly employment that underpins our community and indeed the wider Kimberley Region.

The critical emergency services including Derby Volunteer Marine Rescue Group and the Royal Flying Doctor Service (RFDS) that are so important to our remote region would not be possible without these facilities to work from.

The below report outlines each of these facilities and the key items that have influenced their activities over the last year. It is suffice to say that Council has been extremely dedicated to working with industry to maximise the opportunities the infrastructure presents and have well engendered the Shire of Derby West Kimberley to be open and ready for business.

CURTIN AIRPORT

The Shire of Derby West Kimberley participated in a State Government review of Regulated Regular Public Transport Air Routes in WA which concluded with the following recommendation:

Regulate the Perth-Derby (Curtin Airport and/or Derby General Aviation Airport) air route beyond 27 February 2016 and award rights to a single RPT operator for up to five years, subject to a review of airline performance.

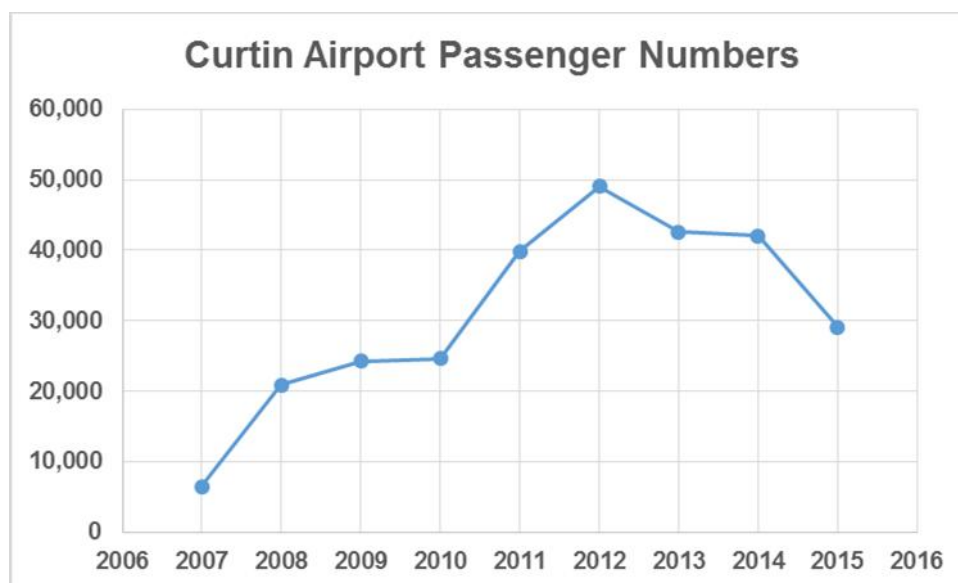
The Virgin Regular Passenger Transport (RPT) jet service to Perth operates as a (protected) regulated air route under the Department of Transport (DoT). The contract for this route is currently out for tender with the successful proponent for the next term to be installed on 28 February 2016.

In essence, this recommendation stays with the current protected route status ie a single service provider, but importantly, recognises the Shire of Derby West Kimberley's ambitions to relocate the RPT to Derby Airport for which a masterplan is being developed.

The predominant users of the service are those associated with the resources sector namely, Mt Gibson (Koolan Island/iron ore), Pluton Resources (Cockatoo Island/iron ore) and until 30 June, Kimberley Diamonds (Ellendale/diamonds). There are numerous other resource exploration projects that, combined with community and government travel, support the service.

With such reliance on the resources sector that has been subjected to events on a local and national level there has inevitably (and therefore not unexpectedly) been an impact on the number of passengers using the service. The failing of the seawall and inundation of the main pit on Koolan Island in November 2014 severely curtailed mining activity and saw staff layoffs; Pluton Resources have been plagued with financial and legal issues that has resulted in the stop/start of operations and Kimberley Diamond Mine went into administration on the 30 June 2015 laying off all staff. Further exacerbating the situation for Mt Gibson and Pluton Resources has been the deteriorating price of iron ore.

The following graph illustrates the decline in passenger numbers that resulted in changes to the frequency of flights in March 2015 where they were reduced from five weekly (Monday to Friday) to four (Monday to Thursday). Since July 2015, there has been a further one day reduction/reconfiguration to being on Monday, Wednesday and Friday, limited to an F100 (100 seat capacity) aircraft. Since the commencement of the Perth-Derby service in 2006, there has been fluctuations to the level of service corresponding to the demands with the current situation being just that.



DERBY AIRPORT

Derby Airport serves the general aviation, RFDS and charter activity with multiple leases to private industry for fixed wing and rotary operations. Following a previous study and an Expression of Interest (EOI) process undertaken by Council in 2013 that identified opportunity for the RPT service to move from Curtin to Derby Airport, there has been extensive consultation with industry and master planning to meet this end.

Currently, there is an assemblage of transportable buildings gifted to the Shire by the Department of Immigration following the closure of the Curtin Immigration Centre. These will be configured to form a modern terminal to serve the long term future needs of the community and industry alike. As a part of the redevelopment of the airport precinct, integral services including electrical, water, firefighting capacities will also be addressed.

In the 2014/2015 budget, Council approved a loan of \$6M to undertake repairs to the Derby Wharf. Draw down of the loan has been held in abeyance pending the opportunity to partner these funds with the Federal Government's Stronger Regions program on a \$ for \$ matching basis to create a \$12M pool to spend on a combined Derby Wharf/Derby Airport project. In the short term, the Shire of Derby West Kimberley has been successful in obtaining a Regional Airport Development Scheme (RADS) grant to upgrade the runway lighting.

FITZROY CROSSING AIRPORT

Fitzroy Crossing Airport caters for general aviation including the intra-Kimberley RPT route, fixed wing and rotary operations as well as RFDS. The runway was resealed in 2013 to address water ponding, cracking and other problems where the underlying black soil base is commonly associated with such pavement behavior. There has been evidence of renewed cracks that will require ongoing monitoring and treatment.

DERBY EXPORT FACILITY (WHARF)

The Derby Export Facility (DEF) has continued to be the conduit for supplies and plant and equipment reaching the offshore mining operations referred to above as well as the expanding Cone Bay Barra farm operated by Marine Produce Australia. The Shire of Derby West Kimberley has worked hard to realise benefits from the DEF for the community through engaging with industry to maximise utilisation of the asset while balancing continued access and enjoyment of the community.

In October 2014, Council initiated an Expression of Interest process that offered industry in a broad manner to set out their requirements for use of the DEF precinct to support their projects. This concluded in February 2015 with the outcome being three organisations being given 'preferred proponent status' to progress their projects and negotiate leases with Shire of Derby West Kimberley. Included in this outcome was the decision to not renew an extension of the Rey lease which precipitated their early surrender.

Occurring concurrently with the above process, a major structural change by the Western Australian Government has been to bring a regional approach of coordinating and managing the ports across the state through the creation of Regional Port Authorities. As such, the Kimberley Port Authority (KPA) is being formed and will essentially become the landlord of the Shire of Derby West Kimberley. The intricacies of the enabling legislation and leases/management agreements are still being worked through with the intention that the arrangement will be in place as at 1 July 2016.

Again, running alongside the above has been the Shire's efforts to bring forward the renewal of the current lease held with the Department of Transport. The existing lease is set to expire in 2019, however, certainty of tenure is critical to provide commercial interests ie the 'preferred proponents' security beyond the next three years as well as for the Shire of Derby West Kimberley to invest potentially \$6M of community funds. These discussions are continuing at the time of writing this report.

There is a great deal of effort required by almost all levels from within the Shire of Derby West Kimberley to effectively manage the infrastructure discussed above. Ranging from staff involved with administration, baggage handling, airport/port security, check-in, airport reporting, refuelling who all collectively work hard to ensure these assets provide a return to the community as well as Councillors who focus on the strategic outcomes to take advantage of the opportunities within our region. I would like to take this opportunity to thank all of those who have contributed so significantly to the Ports throughout 2014/2015.

ROSS SULLIVAN

MANAGER COMMERCIAL SERVICES

COMMUNITY DEVELOPMENT

The Shire of Derby West Kimberley's Community Development Department is responsible for the implementation of a range of community services and activities which focus on improving the wellbeing and lifestyle of our community.

During 2014/2015 an outstanding delivery of community programs, activities and events has been with thanks to a strong and established team.

January launched the 'Look Out' community events program; hosting free, monthly, youth-focused activities such as inflatable pool parties, teen discos and movie nights. Tremendous community participation has resulted in the program's success and the team has since partnered with Derby Scout Group for delivery of movie nights.

Former Olympian Lisa Curry stopped in Derby and Fitzroy Crossing during February on her One Life; One chance Australian road trip and visited local schools, held swim clinics and presented for the Thank a Volunteer evening in Derby. Australian-Aboriginal comedian Kevin Kropinyeri visited the region in March and performed at West Kimberley Regional Prison and Derby Recreation Centre, aimed at raising awareness about suicide, depression, drug and alcohol abuse.

The Kimberley Art Prize and Kimberley Photographic Awards were facilitated as 'back to back' exhibitions once more for the Kimberley Visual Arts Month, with the introduction of free art and photography workshops and seminars led by head judges David Rennie (KPA) and Joanna Capelle (KAP). The Kimberley Art Prize 2015 received its highest entry submission in several years with 115 pieces exhibited, more than 300 guests at the exhibition opening and 600 visitors to the exhibition throughout the week. Representative for the Premier Colin Barnett, Hon Ken Baston MLC Minister for Food, Agriculture; Fisheries officially opened the exhibition. Joint Overall Winners were awarded to *Flying Change* by Craig Rochford of Broome and *Martuwarra* by Sonia Kurarra of Fitzroy Crossing (below).

The Kimberley Photographic Award 2015 launched the free Smartphone 'Snap & Send' category for camera-phone users, and received seventy entries into its field. Overall 120 entries were exhibited with 200 people attending the exhibition opening and 400 visiting the exhibition throughout the week. Representative for the Premier Colin Barnett, Hon Mark Lewis Minister for Mining and Pastoral officially opened the exhibition. Overall Winner was presented to *Savannah Storm* by Kevin Smith of Broome (below).



2015 Kimberley Art Prize Joint Winners *Flying Change* by Craig Rochford (left) and *Martuwarra* by Sonia Kurarra (centre) and *Savannah Storm* by Kevin Smith (right). KAP / KPA Overall Winners are acquisitive prizes to the Shire's public arts collection.

Annual community events included the Australia Day Breakfast where Australia Day Achievement Awards were presented to a number of community groups and outstanding volunteers. The Derby Community Expo, which was rebranded from Welcome to Derby, had participation from nearly sixty community and business stallholders.

The Junior School Holiday Activity Program has received significant increased daily attendance, with sixty children averaging per day and 150 on peak days. A new activity program leader brings renewed energy and thrilling ideas to the timetable.

Elsewhere new shade and adventure playgrounds were installed at Apex and Lytton Parks while the annual Community Funding Scheme allocated a total of \$93,880 to ten community groups across the Shire. A total of 18 community projects were also supported throughout the year via the Shire's Quick Grants.

Community project support was provided to Derby Landcare Group in applying for a Lotterywest grant for development of the Joonjoo Botanical Trail. The team was also successful in obtaining \$200,000 in grant through Lotterywest and Kimberley Development Commission for a Heritage Trail in Derby. Mowanjum Aboriginal Arts Centre completed the Shire's annual Banners in the Terrace entry and twenty colourful banners celebrating iconic events and the region were designed and erected in the Derby streets.

Membership of the Shire's Derby and Fitzroy Crossing Libraries continue to grow and collections have continued to increase and change to reflect this. Library staff work with the State Library of Western Australia to offer a quality service to the public through its exchange system. Fitzroy Crossing Library has introduced new activities for the community, including its after-school program, and extended opening hours on Mondays.

Programs have included a visit from author-illustrator Gabriel Evans for Children's Book Week, who visited 400 children in three days across Derby schools, Looma Remote Community School and Kulkarriya Community School. Rhyme Time and Story Time hosted the Buzz Theatre Group in September and Kindergarden and Pre-Primary classes for the Better Beginnings family literacy program.

The Aquatic and Recreation team has had a hugely successful year with increased opening hours at the Derby Memorial Swimming Pool, a series of successful events and programs including the Virtual Rottnest Channel Swim, BHP Billiton Super Series swimming and water polo coaching, introduction of swimming lessons for infants, children and adults and a Bronze Medallion course.

A jointly-filled Aquatic and Recreation Manager (ARM) and Club Development Officer role has proved highly satisfactory resulting in funding continuing into 2015/16. Relationships with the Shire's sporting clubs have significantly strengthened throughout the year with assistance provided towards club governance, activities, funding applications and the rollout the Statewide KidSport program.

Junior sports; Tennis and AFL Football were introduced with fantastic program delivery and participation. The Derby Tennis Club staged two nine-week coaching programs plus a Broome Tennis Club professional coaching session. Derby Tigers Football Club hosted junior football programs for Auskick and a junior football session for older children with moves now in place to formalise a junior football committee.

Consultancy group RFF Australia has worked closely with the ARM to formulate the SDWK Sport & Rec Plan that will provide the Shire with a five-year strategy. The plan reviews Shire sporting facilities, club activities, governance, strategic, operational and future planning.

Derby Memorial Swimming Pool received a \$30,000 Royalties for Regions grant administered by the Department of Sport and Recreation for the installation of a heat pump to regulate the pool water temperature for improved attendance and ability to deliver year-round activities.

Earlier in the year a cricket pitch cover-roller was obtained for effective removal and placement of the cricket pitch cover for football and cricket fixtures. Life and Soul health and Fitness Club opened in October providing a 24-hour gym facility and fitness class timetable. Memberships reached 150 and classes make use of Shire facilities at Derby Memorial Swimming Pool, Derby Recreation Centre and Town Oval.

The Derby Youth Service has grown significantly over the course of the year both in terms of staffing and programming. The newly created position of Senior Youth Officer has brought further experience in the youth sector and means the Shire now has two full time positions dedicated to youth work.

Over the past year the Derby Youth Centre team has accomplished a number of exciting milestones. The Derby Youth Advisory Council (YAC) is now operational for the first time in a number of years. Participants in the Boys Re-Engagement Program have dramatically improved school attendance and youth crime has decreased over the course of the year. A new Girls Group has been successfully established with \$10,000 from Local Government and Communities funding together with collaborative work between Derby Youth Centre and the Kimberley Mental Health team. The Youth Centre team hosted Community Fun Days in Derby and Looma and worked with Garduwa in Fitzroy Crossing to bring its inflatable cinema screen and gladiator ring to the town.

A broader, more structured and consistent program of activities has been established, including music lessons with Radio 6DBY and the Australian Children's Music Foundation, horsemanship training at Birdwood Downs Station, BMX workshops and a gardening program. The Youth Service continues to advocate for many children during the application process for schools outside of Derby, and maintains close working relationships with regional schools, community services, and family and welfare agencies through the coordination of multi-agency forums; Youth-at-Risk and Youth Network meetings.

Disability Access Inclusion Plan

The Shire of Derby continues to strive to have a fully inclusive community and has continued to strengthen its partnership with the Disability Services Commission.

Initiatives undertaken by Shire Derby West Kimberley to enhance access and inclusion during 2014/2015 include:

- Sealing works to create school access and defined parking;
- New access pathways around town;
- Reception redesign planning for better access;
- Move of offices to enable greater access (no stairs);
- New lighting to improve access at night;
- Pool temperature regulator purchased to support year round rehab;
- Derby Streetscape redevelopment planning process inclusive of local community members. Designs incorporate contemporary universal access standards.

Disability Access and Inclusion Plan (DAIP) Progress Report 2014 – 2015

1. For 2014–2015, please indicate in each of the outcome areas of your DAIP:

	Number of Strategies/ Initiatives Planned (Strategies/ Initiatives Planned whether implemented or not).	Strategies/ Initiatives Completed	Overall how effective have your completed Strategies/Initiatives been in enhancing access and inclusion on a scale of 1-4? Please rate each completed Strategy/Initiatives using the rating scale below.																
Outcome 1	7	6	3	3	3	3	3	3											
	Establish an updated Disability Access Committee to guide the Implementation of DAIP activities and ensure accountability																		
	Ensure that people with disability are provided with an opportunity to comment on access to services																		
	Monitor the Shire’s Access and Inclusion Policy to ensure it supports equitable access to services by people with disability throughout the various functions of the Shire																		
	Continue to ensure the library technology is as accessible as possible																		
	Continue to develop links between the DAIP and other Shire Plans and strategies																		
	Ensure that events, SDWK events , are accessible to people with disability																		
	Ensure that Shire staff and agents and contractors are aware of The relevant requirements of the Disability Services Act																		

CORPORATE SERVICES

Corporate Services continues to strive to maintain its excellent service to customers. With a philosophy of constant improvement and ongoing development of procedures and processes the Officers continue to improve efficiencies and the ability to meet the needs of the community professionally and effectively.

Functions and responsibilities of Corporate Services cover Financial Services, Customer Service, Records Management, Legal Issues, Governance and Compliance, Information Technology and the National Competition Policy Statement.

FINANCIAL SERVICES

Financial Services is responsible for budgeting, accounts payable, accounts receivable, rates, payroll, financial reporting and all other aspects of financial management of the Council.

We deliver usable management reports for Council and interested readers. This has resulted in an expanded Annual Budget, informative and usable Plan for the Future of the District/Integrated Planning Documents and user friendly monthly reports. Quarterly reports incorporating budget reviews are conducted each quarter to review our position and ensure any changes to budgets are being approved and accounted for within our overall financial position.

We continue to strive to meet our own benchmark of creditor payments being made once a week, and encourage and support creditor payments by electronic methods rather than the traditional cheque. This allows our creditors to receive their monies more regularly and efficiently and provide Council with the added advantage of having good workflow practices.

Plan for the Future of the District

The Plan for the Future of the District is a requirement of the Local Government Act (1995). The Plan sets out the Vision, Mission and Values the organisation intends to operate by when delivering services to the community and aligns its major projects and activities to those philosophies.

The Act requires a Local Government set out the major capital projects it intends to deliver in the foreseeable future.

Amendments to the Local Government (Administration) Regulations 1996 have better defined what comprises a Plan for the Future of the District. These amendments were supported by the Statewide introduction of the Integrated Planning and Reporting (IPR) Framework.

At the Ordinary Meeting of Council held 31 May 2012 Council adopted the Strategic Community Plan (SCP) which is a 10 year Vision for the Shire of Derby West Kimberley and is the head document for the IPR framework. The initial Corporate Business Plan (CBP) was adopted at the Ordinary Council Meeting held 27 June 2013. The CBP is for a period of 5 years and is now reviewed annually to assist deliver the Annual Budget.

Both the SCP and the CBP have primarily been developed from our previous Plan for the Future of the District. Some additional actions have been included to capture actions that were deemed to be part of our current day-to-day activities already being undertaken.

There are a number of Informing Strategies that form part of this framework and they include: Asset Management Plans, Workforce Plan and a Long Term Financial Plan.

Like other Local Governments, the Shire of Derby West Kimberley continues to face the challenges of meeting the increasing demands of residents for better facilities, infrastructure and services, whilst maintaining a financial balance.

As always and as mentioned in many other reports concern is noted about the Shire's reliance on grants. It is difficult to budget for and plan projects that are reliant on grant funding. It is also difficult to budget for future grant increases and use these funds to cover debt positions. The single largest threat facing the short term financial position is the reliance on grants, and debt management reliant on unstable grant income. This process is unsustainable in the long term and will need close scrutiny in future Long Term Planning documents.

Annual Budget

The Annual Budget is required to be prepared each year and adopted by Council by 31 August. The 2014/2015 financial year's Budget was prepared and adopted by Council on 28 August 2014.

The Budget also forms the basis for determining the level of Council's rates, which incurred an increase of 4.9% for the 2014/2015 year. This increase was to ensure income from rates kept up to pace with the increasing costs of goods and services. The discount rates system was again utilised offering a 2% discount on rates for those properties paying in full by the due date.

Annual Financial Report and Audit Report

Each year a Local Government is required to have the previous year's Financial Report audited by an independent Auditor. The objective of the Audit is to obtain "... an independent audit opinion of the accounts and the annual financial reports of the Council ..".

The Audit Report is included in the Annual Financial Report, it can be found at the end of this document.

CUSTOMER SERVICE

All employees of Council strive for best practice in providing good customer service, whether through phone contact, in person, by letter or email. All employees are committed to the Shire's Customer Service Charter and strive to achieve the benchmarks set. The benchmarks are aimed at providing suitable responses to queries in a timely manner.

Council has a Customer Service Charter and Complaints Management Policy that all staff are required to follow. All requests received are recorded and acted upon promptly by the relevant officer concerned. All requests/complaints were dealt with at officer level and were not required to go the next level of Complaints Officer for handling.

We encourage all our customers to be aware of the contents of these documents and pick up a copy and to advise us of any areas of concern or interest they may have.

RECORDS MANAGEMENT

The Shire of Derby West Kimberley remains committed to accurate and compliant record keeping practices in accordance with best practice and complying with the relevant legislation, including the State Records Act 2000.

The Shire's Record Keeping Plan 2007074 was approved by the State Records Commission on 18 March 2008. In accordance with Section 28 of the State Records Act 2000, the Plan for the Shire is to be reviewed within five years of the approval date, being 18 March 2013. The Shire of Derby West Kimberley completed a review of its Record Keeping Plan and submitted a copy of the review to the State Records Office on 14 March 2013. The next review will need to be undertaken by March 2018.

Training:

All new staff during their induction process have a one on one training session (and follow-up sessions if required) with an experienced records officer. Information and training is provided on the following; record keeping responsibilities, record keeping policy and procedures, electronic records system and compliance. Supporting documentation such as Council's Record Keeping Policy and Procedures and ERMS Training Manual are provided and explained at the training session. The record keeping component of the induction procedure has been designed to adequately address employee record keeping roles and responsibilities.

LEGAL/LEASES

Some Council owned land and facilities are occupied by a number of community groups and businesses. Council's leasing policy is followed when leases are negotiated; businesses are to occupy our premises at commercial rental rates (and all outgoings) providing a return to Council. Community groups and not-for-profit organisations are not required to pay commercial rental charges, instead they are required to pay a low yearly fee of \$100 and all outgoings.

Commercial rental income for Council comes mainly from Derby and Fitzroy Crossing Airports and the Derby Wharf Precinct.

Leases continue to progress and require significant amounts of time and resources. It is never an easy task trying to co-ordinate leases with organisations that have been in Council facilities, often for many years. The Local Government Act (1995) requires Council to have a lease and this is often a difficult issue to manage.

GOVERNANCE AND COMPLIANCE

The Annual Compliance Audit Return is required to be completed by Council by 31 March each year, for activities carried out in the previous calendar year 1 January to 31 December, to ascertain whether the Shire has complied with the requirements of the Local Government Act (1995), and its associated Regulations. The process of completing and assessing the Shire for compliance against the Act is necessary, not only as a requirement of the Department of Local Government and Regional Development but for the Shire's own benefit to ensure it sets and maintains a high standard of compliance.

The areas of compliance covered by the 2014 Compliance Audit Return were restricted to those considered high risk, resulting in a Compliance Audit Return that contained substantially fewer questions than prior years. Amendments to Regulation 13 of the Local Government (Audit) Regulations 1996 gazetted on 30 December 2011 allowed these changes to occur.

These changes addressed issues raised in a number of reports that proposed a review of the Department's Compliance Audit Program, including the Public Accounts Committee Report No.4 in Local Government Accountability (2006), the Department of Treasury and Finance's Red Tape Reduction Group Report (2010) and the Local Government Reform Steering Committee (2010). These reports raised issues regarding the compliance reporting burden placed on Local Governments resulting from the requirement to complete a comprehensive Compliance Audit Return and submit it to the Department by 31 March each year.

A further change to Regulation 14 requires that the Local Government's Audit Committee now reviews the Compliance Audit Return and reports the results of that review to the Council prior to adoption by Council and the March submission to the Department.

The reduction to the Compliance Audit Return, and proposed associated transfer of responsibilities to the Audit Committee of each Local Government, will enable Local Governments to better manage legislative compliance within their own timeframes and with increased transparency and involvement for Elected Members. However, the requirement for Local Governments to comply with relevant Legislation will not change.

A summary of the compliance areas are:

Commercial Enterprises by Local Governments	5
Delegation of Power/Duty	13
Disposal of Property	2
Disclosure of Interest	16
Elections	1
Finance	15
Local Government Employees	5
Official Conduct	6
Tenders for Providing Goods and Service	15
Total	78

The Compliance Audit Report is a very useful tool in addressing statutory requirements and ensuring legislative compliance.

Generally the Shire complies with most things but it still needs to be considered that by complying 99.9% of the time and missing only 0.1% constitutes 'non-compliance'.

Of the 78 points of compliance, the Shire was compliant in all 78 of them. This equates to the Shire being 100.00% compliant.

HUMAN RESOURCES

Role

The Human Resources Departments' primary function is to oversee the recruitment, retention and contractual employment obligations of our employees and the Shire of Derby West Kimberley. Human Resources staff provides support to managers through the provision of policies, systems, services, programs and guidance on staffing practices that will enable quality staffing outcomes for the Shire.

The Human Resources Department works in partnership with line managers and Executive Managers to provide the following variety of services and advice; such as recruitment, induction, development and training of staff, performance appraisals, grievance resolution, underperformance, misconduct and disciplinary requirements, equal employment opportunity and equity, health and wellbeing programs, worker's compensation, employee terminations, negotiation of enterprise employee agreements and resolution of employee disputes.

Recruitment

Recruitment was particularly busy in 2014/2015, with 43 vacancies including 20 casuals and temporary fixed term positions. The casual and temporary positions provided cover at Derby Wharf, Curtin Airport, Derby Pool, Group Fitness, School Holiday Programs, Derby Youth Center, Customer Service, Library Operations and Debtors.

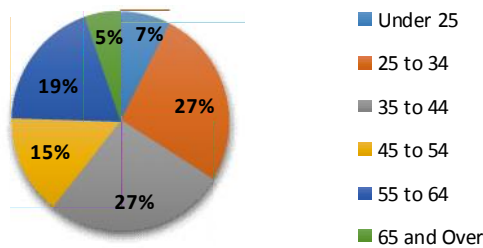
Workforce Plan and Demographics

The Shire of Derby West Kimberley developed a Workforce Plan in late 2013, since that time various external factors have changed requiring a review of the Plan, this review will be completed by November 2015.

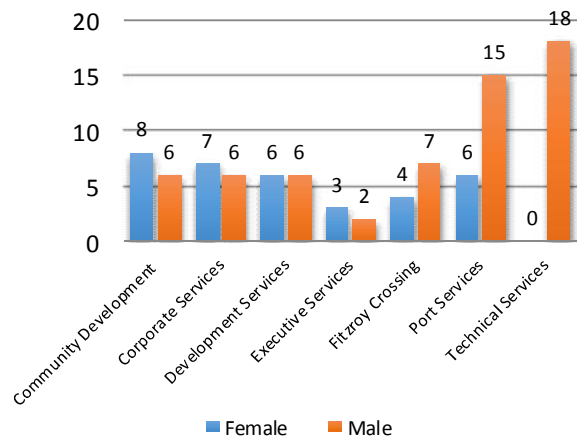
The Full-Time Equivalent (FTE) establishment as at 30 June 2015 was 84.71 FTE compared to the Financial Statements of 2013/2014 of 77 FTE. The actual headcount of staff as at 30 June 2015 was 94 staff.

The demographics of the Shire’s workforce as at 30 June 2015 are listed in the graphs below, covering age, male/female, casual/part-time/full-time employment. Information on staff turnover is also provided.

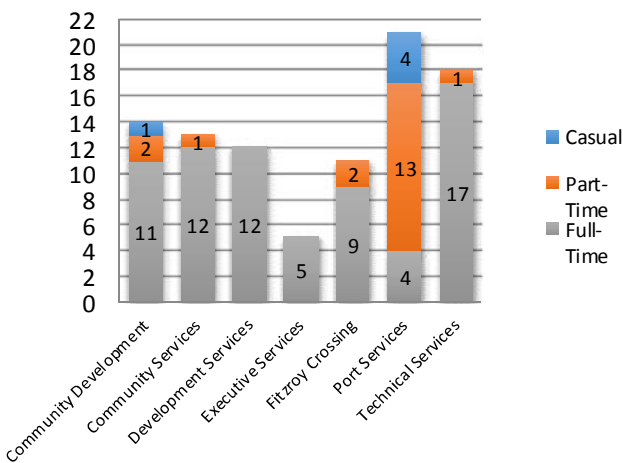
SDWK - (ALL) Ages - as at 30/06/2015



Department - Male/Female - as at 30.06.2015



Department - Casual/Part-Time/Full-Time - as at 30.06.2015

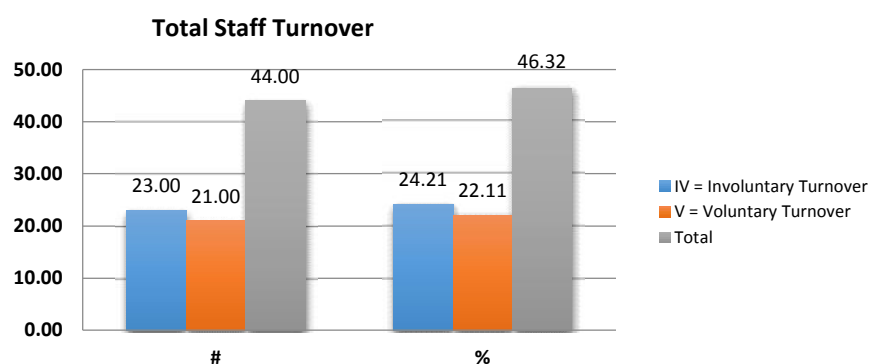


Staff Turnover

Is recorded as either Voluntary (employee willingly makes the decision to leave i.e. resigns) and Involuntary (employer makes the decision such as temporary and casual positions, termination and redundancy).

A significant number of positions were short-term and on a casual relief basis, accounting for much of the involuntary turnover. Particularly in the Community Development Department working in our more seasonal areas of school holiday program, youth center, pool life guards and fitness instructors.

While our total turnover appears high at 46%, in real terms of staff choosing to leave the Shire, the turnover rate is only 22%.



Enterprise Agreements

During 2014/15 the Shire of Derby/West Kimberley Enterprise Agreements 2013 for Indoor, Outdoor and Ports staff received a wage increase of CPI being 2.6%.

Payments to Employees

The Local Government (Administration) Regulation 19B requires the Annual Report to contain details of the number of employees of the Local Government entitled to an annual salary of \$100,000 or more in bands of \$10,000 for each band over \$100,000.

Salary Range	2014/2015
100,000 to 109,999	1
110,000 to 119,999	2
120,000 to 129,999	1
130,000 to 139,999	-
140,000 to 149,999	-
150,000 to 159,999	2
160,000 to 169,999	1
170,000 to 179,999	-
180,000 to 189,999	-
190,000 to 199,999	-
200,000 to 209,999	-
210,000 to 219,999	-
220,000 to 229,999	1

NATIONAL COMPETITION POLICY – COMPLIANCE

In 1995 The Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy. Local Government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses.

Local Government is also affected where Local Laws unnecessarily affect competition.

The Shire is required to comply with certain policies contained within the National Competition Policy Statement and report on progress in connection with the National Competitive Neutrality Principles and review of Local Laws.

Each Local Government must report its progress in achieving NCP reforms in its Annual Report broadly under the following categories:

- Competitive Neutrality
- Legislation Review
- Structural Reform

Competitive Neutrality

This principle deals with ensuring that Government business operations have no advantage or disadvantage in comparison with the private sector. The policy dictates that competitive neutrality should apply to all business activities which generate a user pays income of over \$200,000 unless it can be shown that it is not in the public interest. In this regard, no significant new business activities for the purposes of competitive neutrality were initiated or considered during the year and no non-compliance allegations were made.

Legislation Review

The Shire of Derby West Kimberley did not promulgate any new legislation and as legislation is reviewed it will be done with NCP in mind.

The Local Government Act 1995 requires all existing Local Laws to be reviewed every eight years. As part of this process the intention to review Local Laws is advertised in the media giving residents and ratepayers the opportunity to comment on any proposed changes, additions or deletions to the Shire's Local Laws.

Structural Reform

The Shire of Derby West Kimberley did not undertake any Structural Reform during the 2014/2015 financial year.

Register of Complaints

The Local Government Act 1995 Section 5.121 requires the Complaints Officer of the Local Government to maintain a Register of Complaints which records all complaints that result in an action under the Local Government Act 1995 Section 5.1110 (6)(b) or (c).

For the purposes of Section 5.53(2) (hb) of the Local Government Act 1995 it is advised that the Shire of Derby West Kimberley received Zero (0) complaints during this period.

Freedom of Information

In accordance with Section 96 and 97 of the Freedom of Information Act 1992, the Shire is required to publish an Information Statement which details the process for applying for information under the Act, as well as information that the Shire provides outside the Act. This document is available from the Shire's Administration Office or the website.

During 2014/2015 the Shire received Zero (0) Freedom of Information applications, and No (0) referrals for third party consultation. The Act requires that all applications are responded to within 45 days.

The Shire also reviewed its Information Statement document as required under the Act and ensured the document is available on the Shire's website.

Public Interest Disclosure

In accordance with the requirements of the Public Interest Disclosure Act 2003, the Shire of Derby West Kimberley has established procedures to facilitate the making of disclosures under the Act. These procedures set out the processes in respect to protected disclosures generally, to protect people from reprisal for making protected disclosures, and to provide guidance on investigations.

The Shire reviewed its document on Rights and Obligations under the Public Interest Disclosures Act and the updated document is available on the Shire’s website.

In the 2014/15 financial year, no disclosures relating to improper conduct were made to the Shire and therefore no disclosures were referred to the Ombudsman.

Elected Members’ Attendance at Council Meetings

Elected Members attended the following meetings during the 2014/2015 year:

Elected Member	Electors AGM (1)	Council Meeting (11)	Special Council Meeting (2)	Council Forum (9)
Cr E Archer	1	11	2	9
Cr R Sullivan	1	7	2	7
Cr P McCumstie	0	1	0	3
Cr A Twaddle	1	10	1	7
Cr I Prouse	1	11	2	9
Cr C Travers	1	11	2	9
Cr A Kogolo	1	8	1	0
Cr J Oscar	1	8	0	0
Cr L Shaw	0	2	0	0

Note: Cr P McCumstie left Council 3 October 2014.

Cr R Sullivan left Council 12 March 2015.

FITZROY CROSSING

Fitzroy Crossing Visitor Centre

The Shire's Office in Fitzroy Crossing is a central point of contact for Council Services in Fitzroy Crossing including Dog and Cat Registrations, Rate and Debtor payment facilities and Development Application lodgment.

This multi-purpose building is also home to the Fitzroy Crossing Public Library with over 500 items available for short term borrowing including Books, DVD's, and Magazines and internet access on a fee for time basis. This year the library has had the ability to offer to the community after school Arts N Crafts activities and adult craft sessions with the library accessible for borrowers after work hours, Rhyme Time for the littlies on Friday mornings, and many visits from surrounding schools incorporating the town library as part of their enquiry based learning curriculum.

June 2015 saw the Shire commence the provision of Department of Transport services to the community. Opening two days a week we are able to provide regular and efficient service to the Fitzroy Crossing and surrounding communities.

It has been a huge year for the Visitor Centre with focus areas being:

- Exploring options to assist in delivering Information to travelers in more efficient and effective ways;
- Partnerships with the Department of Corrective Services;
- Collect compelling and untold information about the community to improve knowledge of the town's hidden strength and beauty; and
- Working with the Community to develop a cultural understanding of what is needed, to best support the Social Enterprise Businesses and help maximize growth.

The Book Easy reservation system has seen a drastic improvement in the way we handle tourist bookings, being online and having live up to date information. We now have access to a larger market of suppliers and increased our access to tour and accommodation bookings to right throughout Australia. We will continue to deliver a better customer service experience by the web site going live, giving customers the access to information and ability to complete online bookings after hours. This function will strengthen and pull together; completing this project neatly.

We have been able to expand with colorful displays of locally made products featuring in the Visitor Centre. By working with Ngaringa Nardi, Walibirri Designs and Marnin Studio, we are able to give the tourists a taste of what is available in Fitzroy Crossing, so if they do not have the opportunity to visit Marra Worra Worra, Bungardi Community or Marninwantikura Women's Resource Centre, they are still able to access the products through the Visitor Centre. This also gives a great sense of pride and satisfaction to the women, seeing their product on display and being sold to travelers in a retail world.

With the redevelopment of the information area to a unique pallet wall display, with the towns of the Kimberley including maps and up to date information making it clearer for tourists to access and identify their areas of interest. The other side of the wall serves as art display for local artists with commissionable pieces.

There are a number of enhancements that have been made to the exterior of the building. The outside area of the Visitor Centre has been improved with a pallet table and stool seating (made by the Correctional Services Team), additional table and chairs to the side of the building, alongside a collection of desert roses and mini palms creating a relaxing space for travellers to enjoy.

The renovations to the front of the building have been completed with the new flag poles and lush lawn replacing the bare dirt. The project with Mangkaja Arts using Crime Prevention Funding will see the Mural project completed early 2016 and the front of the Visitor Centre will be complete with a fresh new look.

This coming year will continue to promote opportunities and develop partnerships. With the strong dedication from the staff and the completion of projects these areas will only continue to grow. It has been an exciting journey and one that I, along with staff, am proud to be a part of.

CONCLUSION

I have thoroughly enjoyed all that the Shire of Derby West Kimberley has offered in the last twelve months and I am especially looking forward to the next twelve months and beyond with all the exciting development and growth the region can expect over the coming years.

I would like to take this opportunity to sincerely thank each and every member of the Corporate Services Department for their continued dedication, hard work and commitment, which has assisted the Shire in achieving the results of the 2014/2015 year. No organisation can function effectively and achieve its outcomes without staff. The Corporate Services Department at the Shire of Derby West Kimberley is blessed to have a very dedicated and professional workforce.

By continuing to invest in training and rewarding staff the benefits accrued by such investment are returned tenfold in multi skilling, diversity and standard of workmanship as well as a quantum of output.

To the Chief Executive Officer, Stephen Gash, I thank you for your leadership, guidance and support of both myself and the Corporate Services Department during 2014/2015, it has been greatly appreciated.

I look forward to another exciting year for the Shire of Derby West Kimberley and express my sincere appreciation to all I have been involved with.

MARTIN CUTHBERT
EXECUTIVE MANAGER
CORPORATE SERVICES

CORPORATE BUSINESS PLAN OVERVIEW

This Annual Report includes a comparison of achievements against the Corporate Business Plan. This overview is in addition to the detailed reports from Managers, with a summary of notable achievements in 2014/15 provided, as well as reporting any variances and highlighting any areas that need review within the Plan.

To analyse and communicate the comparison with the Corporate Business Plan the following symbols are used:

- ✓ Planned activity/project fully funded and completed in 2014/15
- ✓ Planned activity/project fully funded and partially completed in 2014/15 with carry over to 2015/16 Budget
- ✘ Activity/project planned for completion in 2014/15 but not commenced or carried over in 2015/16 Budget
- ✓ Activity/project not planned in 2014/15 but some activity brought forward into Budget
- Ongoing activity/project with 2015/16 component funded in Budget
- Ongoing activity/project with 2015/16 component not funded in Budget
- Ongoing activity/project with 2015/16 component not fully funded in Budget
- Activity/project not planned in 2015/16 but some activity brought forward into Budget
- Planned activity/project for 2017 onwards
- Item flagged for review in the Corporate Business Plan

GOAL 1: COMMUNITY WELLBEING

A diverse, caring and safe community providing opportunities for all its people

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)
Accessible Health and Family Support Services that meet the needs of our Community	Advocate for medical and hospital services within the region	Meet regularly with the Health Board to gain Knowledge of the current health needs of the community	✗	●	●	Incorrect Terminology. Will invite Health Management to Council Forums for awareness
		Develop a Health and Well-Being Strategy	✗	●		Following community baselining exercise
	Lobby Government agencies to address Family Support Service priorities including Safe Houses in towns	Meet with Government representatives regularly to discuss the need for Family Support and Safe Houses	✓	●	●	
	Work with private childcare providers to expand capacity of childcare and promote after school programs	Support childcare providers with documentation assistance to expand capacity	✓	●	●	Childcare granted more area at Shire premises for expansion
Public and Environmental Health Protection	Provide food premises inspections	Inspect food premises regularly	✓	●	●	
	Provide public building inspections	Inspect public buildings on a regular basis	✓	●	●	
	Undertake food safety and public health promotion	Join with the Health Board to hold an annual information stall in the town centre	✗	●	●	Incorrect Terminology (no Health Board). District Health Advisory Committee inactive despite calls for community nominations
	Develop and implement a community education program on infectious diseases and mosquito control measures	Join with the Health Board to hold an annual information stall in the town centre	✗	●	●	
		Distribute information regularly through the Shire Newsletter on relevant health issues	✓	●	●	

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)
Access to Affordable Housing Options	Encourage affordable housing through town planning, zoning and land release	Regularly review the Town Planning Scheme	✓	●	●	Ongoing
		Encourage development of land through release of land as required	✓	●	●	Boab 2 and Landcorp approvals progressed
	Work with the Department of Housing and private sector developers on progressing housing development	Meet with the Department of Housing to discuss the community housing needs	✓	●	●	
	Work with the Department of Housing on establishing a hostel in Derby for visiting families	Meet with the Department of Housing to discuss the community needs	✓			Derby Aboriginal Short Stay Hostel opened in 2014/15
	Develop and implement a plan for Shire Staff Housing	Prepare and implement a Building Asset Management Plan for building and maintaining staff housing	✓	●	●	Review of 12/13 plan undertaken.
		Construct new staff housing	✓	●	●	Commenced. Completion 2015/16
An Inclusive and Participative Community	Develop and implement a Volunteer Support Strategy	Develop a Volunteer Support Strategy	✗	●		
		Implement a Volunteer Support Strategy	✗	●	●	
	Actively promote and assist community groups and clubs	Club out Agreement	✗	●	●	
		Email out	✗	●	●	
	Lobby the Department of Transport and private providers for improved public transport	Meet with the Department of Transport representatives and private providers to discuss the public transport issues	✓	●	●	

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)
Sport, Recreation and Leisure opportunities that support Community Health and Well-Being	Maintain and improve sporting and recreation facilities	Run a survey to ascertain the usage levels for all sporting and recreation facilities for prioritisation of maintenance	✘	●		
		Develop and implement an Asset Management Plan for all sporting and recreation facilities	✓	●	●	Commenced
	Promote sporting, recreation and leisure facilities and programs	Promote Sporting, recreation and leisure facilities and programs through the Email Bulletin	✓	●	●	
		Implement a Community Calendar to promote all sporting, recreation and leisure activities	✘	●	●	
	Develop and implement a Sport and Recreation Strategy	Develop a Sport and Recreation Strategy	✓	●		Commenced for finalisation 14/15
		Implement a Sport and Recreation Strategy		●	●	
	Develop and implement a Health and Well-Being Strategy	Develop a Health and Well-Being Strategy	✘			Following community baselining survey/process
		Implement a Health and Well-Being Strategy	✘	●	●	

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)
Opportunities for Development and Participation of our Youth	Develop a Youth Services Strategy for Derby	Develop a Youth Services Strategy for Derby	✓			Commenced and ongoing. Kimberley Zone Grant for regional approach in 15/16, and supporting other strategies rather than re-inventing/duplicating
	Work with the Fitzroy Futures Youth Sub-Committee in the development and implementation of a Youth Strategy	Meet with the Fitzroy Futures Youth Sub Committee to develop a Youth Services Strategy	✓	●	●	
	Support youth training and employment programs	Discuss youth issues with Social Work staff and health professionals	✓	●	●	
		Meet with Training and employment agencies to encourage the participation of local youth	✓	●	●	
Quality of Life for the Aged and Disabled	Lobby for support services and infrastructure for the aged and disabled	Develop and Aged Care Strategy to identify and address the needs of the ageing community			●	
	Implement the Disability Access and Inclusion Plan	Implement the Disability Access and Inclusion Plan	✓	●	●	As per report. All new building work compliant with access standards
Access to Learning, Cultural and Arts opportunities that support Community Growth and Diversity	Provide library services and programs that help improve literacy and community engagement	Discuss available literacy programs with staff at the state library of WA	✓	●	●	
	Advocate to Federal, State and Independent schools to improve secondary education and relevant infrastructure	Form partnerships with education organisations to discuss secondary education improvements	✓	●	●	
	Develop and implement a Culture and Arts Community Strategy	Develop a Culture and Arts Community Strategy	✓	●	●	
		Implement a Culture and Arts Community Strategy			●	
Promote and support Community and Cultural events	Develop an Events Calendar that is published in the Shire Newsletter	✓	●	●	Work with Visitors Centre and specific events in Muddy Waters	

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)
A Safe and Responsible Community	Develop and implement an Animal Management Plan	Develop an Animal Management Plan	✗	●		Will incorporate review of Local Laws and evaluation of Cat Act in 15/16
		Implement an Animal Management Plan		●	●	
	Support an interagency approach to crime reduction planning and programs	Arrange regular contact with Law Enforcement agencies to discuss crime prevention and planning programs	✓	●	●	Through inetragency forum. Crime prevention planning done in 2014/15
	Develop a Strategy to prevent future glass problems and deal with existing removal of glass	Develop a Strategy to reduce the prevalence of glass problems within the Shire	✗	●	●	Brought forward magnitude of issue
	Advocate for appropriate lighting in streets and public places	Arrange regular contact with Government Agencies to discuss lighting in streets and public places	✓	●	●	
	Develop and implement an Emergency Management and Recovery Plan	Develop an Emergency Management and Recovery Plan	✓	○	○	Needs to be shown as recurring in future years
		Implement an Emergency Management and Recovery Plan	✓	○	○	
	Lobby for reinstatement and improvement of FESA administered Western Australian Natural Disaster Relief Arrangements (WANDRA)	Discuss Natural Disaster Relief and Management with FESA Representatives	✓	●	●	
		Send correspondence to local politicians to advocate the reinstatement of WANDRA	✓	●	●	

GOAL 2: A BALANCE BETWEEN THE NATURAL AND BUILT ENVIRONMENTS						
Sustainable natural and built environments that meet the needs of the community and support future growth						
Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)
Appropriate Development that Enhances the Unique Character and Heritage of the Shire's Townships	Review, update and implement the Shire's Local Planning Strategy	Review and update the Shire's Local Planning Strategy	✓	●		
		Implement the Shire's Local Planning Strategy		●		
	Develop and implement a Subdivision Strategy and Guidelines	Develop a Subdivision Strategy and Guidelines	✓	●		Commenced by aligning IPWEA guidelines
		Implement a Subdivision Strategy and Guidelines		●		
	Provide supportive planning and development guidance and liaison on major land developments	Engage Professional planning staff or consultants to continually provide assessments of development and building applications	✓	●	●	Ongoing
	Ensure quality, consistent and responsive development and building assessment approval processes and enforcement	Develop Policies and Processes that support effective and timely assessment of development and building applications	✓	●	●	Legislated time frames apply to building applications
	Actively work with other Government bodies on state, regional planning and development issues	Meet regularly with State and Federal Government Agencies to discuss planning matters.	✓	●	●	
	Support the conservation and maintenance of heritage buildings, heritage items and places of interest	Work with private owners of heritage buildings and places to establish a Local Heritage Register	✓	●	●	

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)	
Attractive Streetscapes, Open Spaces, Parks and Gardens	Manage and maintain the Shire's Parks, Gardens and Open Spaces at appropriate standards	Continue with the maintenance program of the Shire's parks, gardens and open spaces	✓	●	●	Ongoing. Documented Levels of Service to be developed and implemented	
	Develop and implement a Streetscape Policy and Strategy to encourage the involvement of local businesses	Develop a Streetscape Policy and Strategy to encourage the involvement of local businesses	✓			●	Consultation commenced re Clarendon St development which will form basis of policy discussions along with level of service expectations from community baselining process 14/15
		Implement a Streetscape Policy and Strategy to encourage the involvement of local businesses					
	Develop and implement a Parks and Reserves Strategy	Develop a Parks and Reserves Strategy	✓	●		●	Commenced for specific reserves
Implement a Parks and Reserves Strategy							
Reliable and Safe Transport Infrastructure	Develop a Road Maintenance and Upgrading Strategy	Develop a Road Maintenance and Upgrading Strategy	✓	●	●	Asset Management Condition assessment review commenced to guide strategy. 2014/15 grading/maintenance tender aligns with new hierarchy development	
		Implement a Road Maintenance and Upgrading Strategy	✓	●	●		
	Lobby the Department of Main Roads on highway safety	Communicate regularly with Main Roads to discuss community concerns on highway safety	✓	●	●		
	Develop and implement a Strategy for Road Kerbing, Footpaths, Drainage, Signage and Lighting	Develop a Strategy for Road Kerbing, Footpaths, Drainage, Signage and Lighting	✗	●			
		Implement a Strategy for Road Kerbing, Footpaths, Drainage, Signage and Lighting			●		

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)
Reliable and Safe Transport Infrastructure Cont.	Investigate and progress development opportunities for the Derby Airport	Collate usage information for the Derby Airport	✓	●		
		Engage a professional to investigate the development opportunities for the Derby Airport	✓			
	Maintain Wharves and lobby for funding	Adequately maintain all Wharves to ensure safety of users	✓	●	●	Ongoing. Parts of Wharf closed to public to ensure safety/compliance
		Investigate funding opportunities for improvement of Wharves	✓	●	●	
	Establish break up bay areas for road trains in Derby and Fitzroy Crossing	Discuss the appropriate options with road user sand main roads WA to ascertain locations for a road train break up bay in Derby and Fitzroy Crossing	✓	●		Lobbying brought forward. Derby Bay in opened 2014/15
Shire Buildings and Facilities that meet Community needs	Ensure Shire buildings, facilities and public amenities are provided and maintained to an appropriate standard	Implement Asset Management Plans for all Shire Assets	✓	●	●	Ongoing
	Develop new buildings and facilities in accordance with Asset Management principles and based on a planned and prioritised approach	Renew and construct buildings and facilities as recommended in the Shire Asset Management Plans	✓	●	●	

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)	
Assets and Infrastructure Managed over the Long Term to Meet Current and Future Needs	Develop and implement Long-Term Asset Management Plans for all Shire assets, having regard for current and future asset needs and the Shire's Long-Term Financial Plan	Implement Asset Management Plans for all Shire Assets	✓	●	●		
		Renew Assets in line with Asset Management Plans	✓	●	●		
	Maintain effective liaison with other levels of Government and regional bodies to ensure coordinated provision of regional infrastructure	Meet Regularly with Government and Regional Bodies to Discuss regional issues and infrastructure requirements	✓	●	●		
		Maintain monthly contact and advocacy role with State and federal MP's	✓	●	●		
Protection of the Natural Environment	Provide effective management and maintenance of the Shire's land and reserves	Continue with the maintenance program for the Shire reserves at the current level and frequency	✓	●	●		
	Support the management of feral animals	Identify the prevalence of feral animals within the Shire		●	●		
		Implement a Feral Animal Management Plan			●		
	Develop and implement a Weed Management Strategy on Shire Roads and other Reserves	Develop a Weed Management Strategy on Shire Roads and other Reserves			●	●	Currently being developed
		Implement a Weed Management Strategy on Shire Roads and other Reserves				●	
	Promote and support community based environmental initiatives	Encourage and facilitate community contribution to environmental protection		✓	●	●	Shire representation on landcare committee needs review and reinvigoration
Ensure environmentally sustainable development practices are implemented				●	●		

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)
Access to Renewable Energy Options	Investigate alternative energy sources for Shire facilities	Investigate and lobby for effective implementation of renewable energy sources and resources management practices		●	●	
	Provide lobbying and support for alternative energy sources and reinvestigate tidal power	Investigate and lobby for effective implementation of renewable energy sources and resources management practices			●	
Integrated Waste Management	Develop and implement a Waste Management Strategy	Develop and implement a Waste Management Plan	✓	●	●	
	Manage rubbish collection and disposal services for the Shire's towns	Develop and implement a Waste Management Plan	✓		●	
	Investigate and implement a regional approach to waste recycling	Identify opportunities for the Shire to develop as a Regional Centre of Excellence in Waste Management and Recycling	✗	●	●	
	Investigate the establishment of new waste facility sites	Investigate possible sites for the relocation of waste management sites	✓	●	●	

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)
Efficient Use and Management of Water Resources	Develop and implement a Water Management Strategy for the Shire	Investigate and lobby for effective implementation of renewable energy sources and resource management practices	✘	●	●	
		Develop a Water Management Strategy for the Shire	✘	●	●	
		Implement a Water Management Strategy for the Shire	✘	●	●	
	Promote effective water management practices	Investigate and lobby for effective implementation of renewable energy sources and resource management practices			●	
	Support a coordinated approach to local and regional water resources management	Investigate and lobby for effective implementation of renewable energy sources and resource management practices			●	
Safe and Effective Disposal of Wastewater	Develop wastewater ponds in Fitzroy Crossing and Derby	Have Council representation in regional forums, and regularly attend the meetings	✘		●	
	Lobby the State Government for funding to install more deep sewerage in townships	Have Council representation in regional forums, and regularly attend the meetings	✔	●	●	
	Investigate waste water re-use	Conduct a feasibility study on waste water re-use within the Shire	✘		●	

GOAL 3: A STRONG AND DIVERSE LOCAL ECONOMY**A strong local economy that is supported by a broad industry base with opportunities for business development and employment**

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)
Local Business Development and Employment Opportunities	Support the Chamber of Commerce and Small Business Centre to encourage business development	Develop Processes that support business networks and development	✓	●	●	
	Lobby for employment opportunities	Work with Local industry, Government instrumentalities and educators to prepare an annual overview of job opportunities		●	●	
	Lobby State Government for apprentice/trainee opportunities	Have Council representation in regional forum, and regularly attend the meetings	✓	●	●	Lobbying ongoing, however unable to attend Kimberley Workforce Development Alliance meetings due to ongoing clash with Council obligations
A Strong and Diverse Industry Base providing Community Benefits	Undertake community impact and opportunity analysis of major mining, oil and gas ventures	Investigate Strategies to encourage local business and industry to contribute to the local community	✓	●	●	Sponsorship of events sought. Discussions commenced re Buy Local approach with CCI
		Analyse the current impact on the community of the major mining, oil and gas ventures	✓	○		Briefings/Info received by DMP, DSD, KDC, industry and real estate. Economic and social impact not conducted yet. Needs review to allocate appropriate resources
	Investigate major joint ventures through a Business and Community Benefits Plan	Implement a Business and Community Benefits Plan including investigation of major joint ventures	✓	●	●	Review of JV process/ability under LG Act undertake. Need to review/reword to be a guide for operators/investors for community support opportunities
	Investigate agricultural or primary industry diversification opportunities	Review all agricultural and primary industry diversification within the Shire	✓	●	●	

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)
A Vibrant and Strong Tourism Industry	Support and promote local and regional tourism through the Fitzroy Crossing and Derby Visitor Centres and Australia's North West Tourism organisation	Develop a Communication Strategy to formalise partnership between the Shire, local business, State Government and other regional tourism organisations	✓	●	●	Aligned with ANW. Introduced concept of Shire wide approach, to be progressed 2015/16
	Lobby State Government on behalf of the local tourism industry for infrastructure, services and funding	Have Council representation in regional forums, and regularly attend the meetings	✓	●	●	Ongoing
	Develop and implement a Tourist Trail Masterplan	Develop a Tourist Trail Master Plan	✓	●		Commenced, but needs to align with Heritage Trail funding process. To continue in 2015/16
		Implement a Tourist Trail Master Plan		●	●	
Investigate a Mangrove Boardwalk at Derby	Investigate location and costing to construct a Mangrove Boardwalk at Derby			●	Will align with Port Development consideration	
Appropriate Infrastructure that supports Economic Development	Promote release of serviced industrial, commercial and residential land	Facilitate the provision of industrial, commercial and residential land to support growth	✓	●	●	
	Advocate for improved provision of utility services across the region	Have Council representation in regional forums, and regularly attend the meetings	✓	●	●	
	Advocate for improved telecommunications infrastructure in the region	Have Council representation in regional forums, and regularly attend the meetings	✓	●	●	Community supported lobbying for immediate ADSL upgrade
	Advocate for the Point Torment Port Development	Have Council representation in regional forums, and regularly attend the meetings	✓	●	●	While advocating for Point Torment as the ultimate 10 yr. plus goal, Government and industry have advised need to focus on Derby Wharf to provide lower cost option to prove demand first. Strategy needs review

GOAL 4: GOOD GOVERNANCE AND AN EFFECTIVE ORGANISATION

Leadership that provides strategic direction for the community, supported by efficient and effective service delivery

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)
Effective Governance and Leadership	Provide leadership in balancing the needs of the community, Government, industry and the environment	Offer a high level of Councillor induction, training and knowledge	✓	●	●	
		Implement a Community and Stakeholder Engagement Policy	✗	●	●	
	Support strategic alliances, stakeholder forums and advisory committees that assist the Shire in Policy Development and Service Planning	Have Council representation on community and advisory committees	✓	●	●	
	Strengthen the Governance role of Councillors by informing, resourcing, skilling and supporting their role	Maintain a high level of Councillor induction, training and knowledge	✓	●	●	
	Ensure Governance Policies and Procedures are in accordance with legislative requirements	Conduct a regular internal audit to ensure full compliance	✓	●	●	

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)
Effective Governance and Leadership Cont.	Encourage community participation in Local Government Elections	Advertise Local Government Elections in the lead up to encourage community participation	✓	●	●	
		Provide information on the role of a Councillor prior to nomination dates	✓	●	●	As per LG guidelines
	Negotiate with all Native Title Groups to consult and establish appropriate Indigenous Land Use Agreement's and Memorandums Of Understanding	Formalise a partnership with Native Title Groups to establish Indigenous Land Use Agreements and Memorandum of Understanding		●	●	Need to review as this is ongoing
	Lobby the State Government for full funding for Municipal Services and associated infrastructure in Aboriginal Communities	Meet regularly with State Government agencies to discuss the service and infrastructure requirements of the community	✓	●	●	
	Develop and maintain Risk Management Policies and Procedures	Develop and maintain Risk Management Policies and Procedures	✓	●	●	
Effective Engagement with the Community and Stakeholders	Develop a Community Engagement and Communication Strategy	Develop a Community Engagement and Communication Strategy	✗	●	●	
	Work cooperatively with other Kimberley Shires and support the Regional Governance Group	Facilitate and develop strong relationships and partnerships with the community and with other organisations	✓	●	●	
	Represent and promote the Shire at appropriate regional, State and Federal forums	Have Council representation in regional forums, and regularly attend meetings	✓	●	●	

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)	
Accessible and Effective Customer Services and Information Systems	Provide and promote responsive customer services	Implement a Customer Service Charter to ensure that excellent Customer Service is provided	✓	●	●	Draft commenced. Part of 2015/16 Policy review	
	Ensure effective integration and management of information and communication technology systems	Review use of the IT systems to ensure the most effective systems are available	✓	●	●	IT services been contracted to Managed IT	
	Ensure the records management system is managed effectively and efficiently	Provide training to all staff on the appropriate use of the records management system	✓	●	●		
		Implement a procedure for the correct use of the records management system	✓	○	○	Ongoing nature needs to be reflected	
Financial Sustainability and Accountability for Performance	Develop, implement and maintain Strategic, Corporate and Workforce Plans	Develop, implement and maintain Strategic, Corporate and Workforce Plans	✓	●	●	To be reviewed after October 2015 Local Government Elections	
	Develop, implement and maintain Long Term Financial Plans	Develop, implement and maintain Long Term Financial Plans	✓	●	●	To be reviewed after October 2015 Local Government Elections	
	Actively pursue alternative sources of income to fund the Shire's services and infrastructure	Constantly investigate funding options for all Shire services and infrastructure	✓	●	●		
	Provide resources to support the Shire's operations and to meet planning, reporting and accountability requirements	Provide adequate resources within the Municipal Budget to provide appropriate levels of planning, reporting and accountability	✓	●	●		
	Develop, maintain and monitor Rating and Property Strategies	Develop a Rating and Property Strategy				●	
		Monitor rating method in comparison to trends with other Local Government areas		✓	●	●	

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)
Skilled, Committed and Professional Staff in a Supportive Environment	Maintain and develop Human Resource Management Policies, Procedures and systems for current and future workforce needs	Review the Human Resource Management Policy annually	✓			Review commenced. For finalisation 2015/16. Need to reflect ongoing requirement
		Implement Human Resource Management recommendations as outlined in the Workforce Plan	✓	●	●	
	Provide opportunities for the training and development of the Shire's employees	Facilitate appropriate training for staff through the development of a Staff Training Plan	✗	●		Training done based on employee and area need but not yet part of coordinated training and development plan
	Ensure safe work practices through implementation of appropriate Occupational, Health, Safety and Welfare practices	Appoint an Occupational Health, Safety and Welfare staff representative	✓	●	●	Staff turnover impacted OSH Committee post Dec 2013. Training of other reps booked
		Regularly review all work practices for safe work compliance	✓	●	●	Hazards managed through day to day operations but audits of SWMS and effectiveness not yet a systematic process
	Review, amend and implement Staff Attraction and Retention Initiatives	Implement the recommendations made within the Workforce Plan	✗	●	●	Council requested review by CEO before implementation of aspects of plan
		Conduct an annual review of Staff Attraction and Retention Initiatives	✗	●	●	Part of Workforce Plan review

Desired Outcome	Strategy	Action	2014-15	2015-16	2017 onwards	Notes (Achievements in 2014-15, Variance from Budget, or Significant Planned Activity in 2015-16)
Skilled, Committed and Professional Staff in a Supportive Environment Cont.	Review office accommodation plans and the options for funding and implementation	Investigate funding options for the implementation of office accommodation plans	✓	○		Ongoing. Will be impacted by Transport Licensing Hosting commenced in 2014/15
		Build New Office		●	○	Not Funded in 2014/15 Budget given Wharf/Airport economic development priorities and ceasing of CLGF
	Promote cohesiveness and teamwork across the organisation	Conduct an annual staff development activity	✓	●	●	No single 'activity' but whole of staff meetings conducted
		Communicate Strategic Objectives	✓	●	●	Ongoing

FINANCIAL PERFORMANCE MEASURES

The 2014/2015 Financial Performance Measures are stated on page 119 of the Annual Financial Report, together with comparative figures for the previous two financial years.

Financial Ratios are designed to provide users of financial information a clearer picture of the performance and results as well as a comparison across periods.

It has become apparent over time, inconsistencies in the calculation of the ratios occur. If ratio information is to be meaningful, then it is important it is prepared both accurately and consistently.

The ratios reported on in the Annual Report are the seven currently defined in Local Government (Financial Management) Regulation 50 and required to be disclosed in the Annual Financial Report. These are explained in detail in the various sections which follow.

Whilst these ratios are a useful guide, it should be remembered there are many indicators of the financial position of a Local Government. Each ratio should not be considered in isolation.

Rather, they should all be assessed in context of the particular Council's circumstances and each considered as part of the picture.

A picture with some good and some poor ratios may indicate some remedial policies need to be implemented.

A picture with nearly all poor ratios may indicate serious financial repairs are needed.

Local Government (Financial Management) Regulation 50 (1a) allows ratios to be disclosed either as a percentage or as a factor of one.

Current Ratio

This ratio is a measure of short term (unrestricted) liquidity. That is, the ability of the Local Government to meet its liabilities (obligations) as and when they fall due.

A ratio of greater than one (100%) indicates the Local Government has more current assets than current liabilities.

If less than one (100%), current liabilities are greater than current assets and the Local Government has a short term funding issue.

Provided restricted assets are excluded correctly, it is a very useful indicator of the "true" financial position of the Local Government, particularly in the short term.

As a general rule, when the current ratio of a Local Government is calculated as less than one (100%) it indicates a short term funding issue. However, it also needs to be considered in context of the overall financial position.

If monitored correctly during the course of the year, it is a good indicator for when follow up action is necessary.

The ratio for the Shire of Derby West Kimberley, as at the close of the 2014/2015 year was 2.67, which shows the Shire has no short term funding issues and is in a good financial position.

Asset Sustainability Ratio

This ratio measures the extent to which assets are being renewed/replaced compared to the amount consumed (depreciation).

Interpretation of this ratio is much improved if it is calculated as an average over time (say at least 5 years) as this reduces skewing caused by large scale intermittent investment in major infrastructure (such as buildings and facilities).

A ratio greater than 110% indicates a Local Government is investing in asset renewal/replacement to the degree that offsets the current consumption of its assets (1.00) and provides for the effect of inflation.

If less than 90% it is considered a high risk ratio indicating the Local Government is having difficulty undertaking a sustained capital investment program sufficient to renew/replace assets while also negating the effect of inflation on purchasing power over time.

A ratio classified as high risk should immediately prompt a review of the Local Government's depreciation rates and asset valuations to ensure that they are reasonable and are generating reliable and representative depreciation expenditure.

It should also prompt a review of operations and revenue raising capacity necessary to support the ongoing asset base.

The ratio for the Shire of Derby West Kimberley, as at the close of the 2014/2015 year was 0.64, which shows that the Shire is not investing in asset renewal to a degree that is offsetting the current consumption of its assets.

Issues that have the potential to effect financial reporting for the Asset Sustainability Ratio are:

- The need of a clear definition as to what is considered replacement expenditure. Including gross cost of plant and equipment rather than net of trade in has the potential to skew this ratio and reduce its intended effectiveness.
- The need to make sure new expenditure is excluded.

Debt Service Cover Ratio

Not unlike the previous debt service ratio although an inverse application.

Measures a Council's ability to service debt out of its uncommitted or general purpose fund available for its operations.

Per DLG's Integrated Planning and Reporting Advisory Standard:

Low – 500% (5) or greater

High – lower than 200% (2)

Given this relationship is now inverse to the previous ratio these risk indicators are set too low. Based on experience, particularly for smaller Councils more dependent on external funding, the following risk factors are more relevant:

Low – 1000% (10) or greater

High – Lower than 500% (5)

Those Councils with a higher proportion of revenue from rates can also effectively operate at lower debt service ratios as they are more able to generate income (via rate increases) to cope with the debt burden.

Consequently, the effect of any borrowing increases in a particular year should be considered when formulating funding options for the budget in any given year. Also, the longer term effect on the ratios when repayments do kick in should not be ignored (as often is the case).

Quite often, borrowings are proposed in one year and repayments do not commence until the following year and it is only then, the true effect of the debt servicing costs become evident in budget deliberations.

It is important the knock on effect on debt ratios are considered as a part of borrowing deliberations.

These ratios also need to be weighed with the need for Council to consider the future plans/growth including the rationalisation of Reserve funds.

The ratio for the Shire of Derby West Kimberley, as at the close of the 2014/2015 year was 194%, which is considered high by the DLG's Integrated Planning and Advisory Standard.

Operating Surplus Ratio

Effectively highlights the scale/extent of any operating surplus or deficit in relation to the overall size of the Local Government.

Low – 15% or greater

The Local Government is providing a strong operating surplus which will give flexibility in the future in relation to operational service levels and asset base.

High – Lower than 0%

The Local Government is experiencing an operating deficit.

A sustained period of deficits will erode the Local Government's ability to maintain both its operational service level and asset base.

Issues that have the potential to effect financial reporting for the Asset Sustainability Ratio are:

- Operating Revenue definition includes an adjustment for Other Compliance Income. Confusing as not in Operating Revenue in the first place. Care needs to be taken. Department has indicated this was included just to make it clear not to use it when calculating the ratio.
- Own Source Operating Revenue includes reimbursements and recoveries which are not currently a separate nature or type. Will need to make sure accounting system allows for this to be tracked/obtained.

The ratio for the Shire of Derby West Kimberley, as at the close of the 2014/2015 year was $-.28$, which indicates that the Shire is experiencing an operating deficit at the end of the financial year. This is not surprising given the reduction in funding experienced throughout the year.

Own Source Revenue Coverage Ratio

Measures the Local Government's ability to cover operating expenses from own source revenue.

Low – 90% or greater

High – lower than 60%

The higher the ratio, the more self-reliant the Local Government is. Allows greater flexibility as less external funds required for operational purposes.

At $.49$, the Shire of Derby West Kimberley's level is considered high, although this would come as no surprise as Council has been aware for many years that they are more heavily reliant on grants than many Councils in the south of the State.

Asset Consumption Ratio

Measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.

Where the written down value is based on a condition assessment of the assets, the ratio highlights the aged condition of the depreciable assets.

Low – 60% or greater

Indicates a Local Government is investing in asset renewal to a level where a high percentage of the Local Government depreciable assets remain in an 'as new' condition.

High – Less than 50%

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

A ratio classified as high risk should immediately prompt a review of depreciation rates and asset valuations to ensure they are reasonable and are generating reliable and representative written down values.

It should also prompt a review of operations and revenue raising capacity necessary to support ongoing asset renewal.

At 62% as at 30 June 2015 Council needs to ensure care be exercised as the Local Government is in danger of slipping into the level where it will have difficulty maintaining the "aged" condition of its assets.

Asset Renewal Funding Ratio

Measures the extent to which assets are being renewed compared to the amount consumed (depreciation).

Provides an indication whether the Local Government has the financial capacity to fund asset renewals as required and can continue to provide existing levels of services in the future without requiring:

- additional income;
- reduction in expenditure; or
- increase in borrowings (above current projections)

Interpretation of this ratio is much improved if it is calculated as an average over time (say at least 5 years) as this reduces skewing caused by large scale intermittent investment in major infrastructure (such as buildings and facilities).

Low – 95% or greater

Indicates a Local Government is investing in asset renewal to the degree that offsets the current consumption of its assets (1.00) and provides for the effect of inflation.

High – less than 75%

A high risk ratio indicates the Local Government is having difficulty undertaking a sustained capital investment program sufficient to renew assets while also negating the effect of inflation on purchasing power over time.

The Asset Renewal Funding Ratio (ARFR) should be read in conjunction with Asset Consumption Ratio (ACR) and the Asset Sustainability Ratio (ASR), The Department of Local Government and Communities provides a guideline for a satisfactory combination as follows:

ARFR – 95%+

ACR – 50%+

ASR – 90%+

A ratio classified as high risk should immediately prompt a review of the Local Government's depreciation rates and asset valuations to ensure that they are reasonable and are generating reliable and representative depreciation expenditure. It should also prompt a review of operations and revenue raising capacity necessary to support the ongoing asset base.

With a year end ratio of 106% the Shire needs to exercise caution and adjusts plans over the longer term to ensure it invests sufficiently to maintain the service potential of its assets.

OTHER FINANCIAL MANAGEMENT ISSUES

The Shire of Derby West Kimberley's internal Financial Management systems are continuously reviewed on a regular basis to ensure that we deliver the best standard possible. Furthermore, the Local Government Financial Management Regulations require the CEO to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of a Local Government at least every 4 years. A review was conducted in May 2012 and the CEO concluded that the financial systems and procedures are both appropriate and effective. Notwithstanding this, a number of recommendations were made to help improve controls surrounding financial management which have since been implemented.

GRANTS – OPERATIONAL

The Shire of Derby West Kimberley's untied Financial Assistance Grant, which is sourced from the Federal Government, was \$4.324 million in the 2014/2015 year.

The WA Local Government Grants Commission has advised that the Shire of Derby West Kimberley will be receiving \$4.266 million for their General Purpose Grant for 2015/16.

RATES

The Shire of Derby West Kimberley still has a relatively low rating level, considering its overall revenue and the increasing requirements of the area. The yield from rates was only 21% of Council's available operating revenue, whilst many rural Council's have a level of around 30+%.

RESERVES – CASH BACKED

These are detailed on page 112 to 113 of the Annual Financial Report at the back of this document. The levels of the Reserves are considered to be low for a Council of this size. Some of the transfers to the reserve accounts during the year were to the Employee Leave Entitlements Reserve, Staff Housing Reserve, Administration Building Construction Reserve and Capital Works/Buildings Reserve. The Administration Building reserve was initiated in 2013/14 to start to provide the necessary funds to construct a new Administration Building in Derby. All reserves need to be re-assessed on a continual basis to assist in carrying out any forward financial planning.

DOUBTFUL RECEIVABLES / DEBTOR EXPOSURE

Note 4, page 104, of Council's Annual Financial Report gives details of its Receivables position.

The outstanding rates amount at the end of the financial year was \$1,297,865, with the rates outstanding percentage 13.6% of the collectable figure, which is slightly higher than the previous year.

An ongoing issue faced by Council is whether the land used by certain Aboriginal Corporations should be treated as non rateable, as it may come within the definitions of 6.26(g) of the Local Government Act (1995). This effect will be felt in future years and may require an increase in the provisions for doubtful debts to cover the shortfall. This may result in there being the matter of 'lost' income in future years which will hinder Council's ability to continue to supply services at high levels and to replace and improve assets.

There are also a small number of other rate assessments owing reasonably high sums. An increase in the provision for doubtful debts has occurred during the year to recognise these amounts.

The majority of the Sundry Debtors amount is made up of grant funding owed to Council by Government Departments as at the close of the financial year. These are generally finalised within the first quarter of the next financial year.

LARGE PROJECT EXPOSURE

Council is mindful of the need to concentrate on existing assets, before a large number of new assets are considered.

Council does not currently have sufficient finances to fund the maintenance and repairs to all of its buildings to a satisfactory level, and certain buildings will have to be selected to be either 'moth balled' or disposed of.

Council is mindful that there is a need and community demand for the provision of new infrastructure. This is given greater attention in a separate progress Report, as well as what has been adopted in Council's Plan for the Future of the District and Forward Capital Works Plan.

SHIRE OF DERBY WEST KIMBERLEY

FINANCIAL STATEMENTS

YEAR ENDING 30 JUNE 2015

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SHIRE OF DERBY WEST KIMBERLEY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

THE ATTACHED FINANCIAL REPORT OF THE SHIRE OF DERBY WEST KIMBERLEY BEING THE ANNUAL FINANCIAL REPORT AND OTHER INFORMATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 ARE IN MY OPINION PROPERLY DRAWNUP TO PRESENT FAIRLY THE FINANCIAL POSITION OF THE SHIRE OF DERBY WEST KIMBERLEY AT 30 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 TWENTY SIXTH DAY OF NOVEMBER 2015.



STEPHEN GASH
CHIEF EXECUTIVE OFFICER
SHIRE OF DERBY WEST KIMBERLEY

**SHIRE OF DERBY WEST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Rates	22	6,384,140	6,303,647	6,001,531
Operating Grants, Subsidies and Contributions	28	7,846,860	8,597,223	2,994,875
Fees and Charges	27	4,751,397	5,659,628	5,741,121
Interest Earnings	2(a)	415,389	384,333	364,339
Other Revenue	2(a)	924,896	894,911	970,989
		<u>20,322,682</u>	<u>21,839,742</u>	<u>16,072,855</u>
Expenses				
Employee Costs		(8,294,055)	(8,157,850)	(7,958,651)
Materials and Contracts		(10,274,744)	(10,802,001)	(6,517,323)
Utility Charges		(1,016,043)	(987,675)	(909,806)
Depreciation on Non-Current Assets	2(a)	(4,193,176)	(4,038,685)	(4,346,141)
Interest Expenses	2(a)	(137,567)	(296,873)	(139,337)
Insurance Expenses		(804,032)	(797,832)	(789,246)
Other Expenditure		(417,515)	(686,778)	(728,058)
		<u>(25,137,132)</u>	<u>(25,767,694)</u>	<u>(21,388,562)</u>
		(4,814,450)	(3,927,952)	(5,315,707)
Non-Operating Grants, Subsidies and Contributions	28	9,202,012	7,138,543	6,894,639
Assets Recognised First Time	2(a)	0	0	3,136,000
Fair Value adjustments to Financial Assets at Fair Value through Profit and Loss	2(a)	(404,162)	0	0
Profit on Asset Disposals	20	17,040	2,207	23,625
Loss on Asset Disposals	20	(33,979)	(122,042)	(154,394)
		<u>3,966,461</u>	<u>3,090,756</u>	<u>4,584,163</u>
Net Result				
Other Comprehensive Income				
Items not Reclassified subsequently to Profit or Loss		0	0	0
Changes on Revaluation of Non-Current Assets	12	106,088,178	0	18,418,571
		<u>106,088,178</u>	<u>0</u>	<u>18,418,571</u>
Total Other Comprehensive Income		106,088,178	0	18,418,571
Total Comprehensive Income		<u>110,054,639</u>	<u>3,090,756</u>	<u>23,002,734</u>

This Statement is to be read in conjunction with the accompanying Notes

**SHIRE OF DERBY WEST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Governance		193,202	101,700	116,739
General Purpose Funding		13,325,668	11,017,275	8,055,310
Law, Order, Public Safety		45,884	38,200	46,723
Health		530,188	536,482	512,027
Education and Welfare		441,648	2,893,750	436,862
Housing		33,124	95,040	82,390
Community Amenities		2,182,990	2,834,478	1,979,645
Recreation and Culture		325,354	476,670	577,236
Transport		2,897,749	3,437,263	3,898,630
Economic Services		281,011	319,329	312,559
Other Property and Services		65,864	79,100	54,734
		<u>20,322,682</u>	<u>21,829,287</u>	<u>16,072,855</u>
Expenses				
Governance		(1,236,197)	(1,246,610)	(1,234,335)
General Purpose Funding		(129,881)	(113,046)	(92,500)
Law, Order, Public Safety		(395,659)	(426,867)	(437,029)
Health		(928,497)	(992,481)	(883,777)
Education and Welfare		(904,513)	(3,561,225)	(767,601)
Housing		(348,563)	(421,390)	(457,473)
Community Amenities		(3,869,472)	(3,787,174)	(3,255,426)
Recreation and Culture		(4,216,182)	(4,447,618)	(3,906,158)
Transport		(11,126,269)	(9,054,064)	(8,201,833)
Economic Services		(976,592)	(921,934)	(964,339)
Other Property and Services		(849,234)	(492,777)	(1,048,754)
		<u>(24,981,059)</u>	<u>(25,465,186)</u>	<u>(21,249,225)</u>
Finance costs				
Governance		(18,505)	0	0
Housing		(82,211)	(81,220)	(85,138)
Recreation and Culture		(9,131)	(9,145)	(5,113)
Transport		(25,133)	(180,888)	(27,240)
Economic Services		(21,093)	(20,800)	(21,846)
		<u>(156,073)</u>	<u>(292,053)</u>	<u>(139,337)</u>
Assets Recognised First Time				
Other Property and Services		<u>0</u>	<u>0</u>	<u>3,136,000</u>
		0	0	3,136,000
Fair Value adjustments to Financial Assets at Fair Value through Profit and Loss				
Other Property and Services		<u>(404,162)</u>	<u>0</u>	<u>0</u>
		(404,162)	0	0

This Statement is to be read in conjunction with the accompanying Notes

**SHIRE OF DERBY WEST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTE	2015 \$	2015 Budget	2014 \$
Non-Operating Grants, Subsidies and Contributions				
General Purpose Funding		2,615,307	1,152,367	0
Housing		3,079,967	2,510,632	0
Recreation and Culture		100,000	154,223	0
Transport		3,406,738	3,321,321	6,894,639
	28	<u>9,202,012</u>	<u>7,138,543</u>	<u>6,894,639</u>
Profit/(Loss) on Disposal of Assets				
Governance		3,685	(7,171)	(30,816)
Law, Order, Public Safety		0	0	(3,520)
Health		(2,973)	(4,459)	(37,069)
Education and Welfare		0	0	(2,727)
Housing		0	(90,000)	0
Recreation and Culture		0	0	(449)
Transport		(28,983)	(10,455)	(4,681)
Economic Services		0	0	(90)
Other Property and Services		11,332	(7,750)	(51,417)
	20	<u>(16,939)</u>	<u>(119,835)</u>	<u>(130,769)</u>
Net Result		<u>3,966,461</u>	<u>3,090,756</u>	<u>4,584,163</u>
Other Comprehensive Income				
Items not Reclassified subsequently to Profit or Loss		0	0	0
Changes on Revaluation of Non-Current Assets	12	106,088,178	0	18,418,571
Total Other Comprehensive Income		<u>106,088,178</u>	<u>0</u>	<u>18,418,571</u>
Total Comprehensive Income		<u><u>110,054,639</u></u>	<u><u>3,090,756</u></u>	<u><u>23,002,734</u></u>

This Statement is to be read in conjunction with the accompanying Notes

**SHIRE OF DERBY WEST KIMBERLEY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	10,941,758	5,501,382
Trade and Other Receivables	4	2,457,554	3,507,294
Inventories	5	100,668	130,483
TOTAL CURRENT ASSETS		<u>13,499,980</u>	<u>9,139,159</u>
NON-CURRENT ASSETS			
Other Receivables	4	37,994	37,994
Property, Plant and Equipment	6	47,321,620	45,656,719
Infrastructure	7	157,420,894	50,882,165
TOTAL NON-CURRENT ASSETS		<u>204,780,508</u>	<u>96,576,878</u>
TOTAL ASSETS		<u>218,280,488</u>	<u>105,716,037</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	3,919,157	1,458,795
Current Portion of Long Term Borrowings	9	144,470	135,738
Provisions	10	963,883	728,217
TOTAL CURRENT LIABILITIES		<u>5,027,510</u>	<u>2,322,750</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	2,142,971	2,300,292
Provisions	10	69,873	107,500
TOTAL NON-CURRENT LIABILITIES		<u>2,212,844</u>	<u>2,407,792</u>
TOTAL LIABILITIES		<u>7,240,354</u>	<u>4,730,542</u>
NET ASSETS		<u>211,040,134</u>	<u>100,985,495</u>
EQUITY			
Retained Surplus		82,022,709	77,755,828
Reserves - Cash Backed	11	3,781,417	4,081,837
Revaluation Surplus	12	125,236,008	19,147,830
TOTAL EQUITY		<u>211,040,134</u>	<u>100,985,495</u>

This Statement is to be read in conjunction with the accompanying Notes

**SHIRE OF DERBY WEST KIMBERLEY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		73,790,329	3,463,173	729,259	77,982,761
Comprehensive Income					
Net Result		4,584,163	0	0	4,584,163
Changes on Revaluation of Non-Current Assets	12	0	0	18,418,571	18,418,571
Total Comprehensive Income		<u>4,584,163</u>	<u>0</u>	<u>18,418,571</u>	<u>23,002,734</u>
Transfers From/(To) Reserves		(618,664)	618,664	0	0
		<u>77,755,828</u>	<u>4,081,837</u>	<u>19,147,830</u>	<u>100,985,495</u>
Balance as at 30 June 2014		77,755,828	4,081,837	19,147,830	100,985,495
Comprehensive Income					
Net Result		3,966,461	0	0	3,966,461
Changes on Revaluation of Non-Current Assets	12	0	0	106,088,178	106,088,178
Total Comprehensive Income		<u>3,966,461</u>	<u>0</u>	<u>106,088,178</u>	<u>110,054,639</u>
Transfers From/(To) Reserves		300,420	(300,420)	0	0
		<u>82,022,709</u>	<u>3,781,417</u>	<u>125,236,008</u>	<u>211,040,134</u>
Balance as at 30 June 2015		82,022,709	3,781,417	125,236,008	211,040,134

This Statement is to be read in conjunction with the accompanying Notes

**SHIRE OF DERBY WEST KIMBERLEY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		5,952,879	6,439,795	5,897,450
Operating Grants, Subsidies and Contributions		7,852,894	8,662,223	2,746,575
Fees and Charges		4,948,261	6,175,052	5,469,296
Interest Earnings		415,390	384,333	364,339
Goods and Services Tax		1,540,795	0	21,937
Other Revenue		924,600	969,911	906,557
		<u>21,634,819</u>	<u>22,631,314</u>	<u>15,406,154</u>
Payments				
Employee Costs		(8,183,508)	(8,070,372)	(7,806,009)
Materials and Contracts		(10,425,653)	(10,361,575)	(6,415,140)
Utility Charges		(1,034,180)	(987,675)	(922,373)
Interest Expenses		(156,073)	(296,673)	(140,550)
Insurance Expenses		(804,032)	(797,832)	(789,246)
Goods and Services Tax		(1,602,576)	0	(21,287)
Other Expenditure		(422,596)	(687,426)	(892,601)
		<u>(22,628,618)</u>	<u>(21,201,553)</u>	<u>(16,987,206)</u>
Net Cash Provided by (Used in) Operating Activities	13(b)	(993,799)	1,429,761	(1,581,052)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for Purchase of Property, Plant and Equipment		(3,612,963)	(6,846,459)	(1,569,772)
Payments for Construction of Infrastructure		(3,259,888)	(11,818,386)	(8,476,961)
Non-Operating Grants, Subsidies and Contributions		13,312,492	8,339,818	6,894,639
Proceeds from Sale of Fixed Assets		143,123	411,000	251,228
		<u>6,582,764</u>	<u>(9,914,027)</u>	<u>(2,900,866)</u>
Net Cash Provided by (Used in) Investment Activities				
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of Debentures		(148,589)	(245,121)	(116,621)
Proceeds from New Debentures		0	7,000,000	0
		<u>(148,589)</u>	<u>6,754,879</u>	<u>(116,621)</u>
Net Cash Provided by (Used In) Financing Activities				
Net Increase (Decrease) in Cash Held		5,440,376	(1,729,387)	(4,598,539)
Cash at Beginning of Year		5,501,382	5,501,382	10,099,921
Cash and Cash Equivalents at the End of the Year	13(a)	<u>10,941,758</u>	<u>3,771,995</u>	<u>5,501,382</u>

This Statement is to be read in conjunction with the accompanying Notes

**SHIRE OF DERBY WEST KIMBERLEY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		196,887	101,700	116,739
General Purpose Funding		9,556,835	5,865,995	2,053,779
Law, Order, Public Safety		45,884	38,200	46,723
Health		530,188	536,482	512,027
Education and Welfare		441,648	2,893,750	436,862
Housing		3,113,091	2,605,672	82,390
Community Amenities		2,182,990	2,834,478	1,979,645
Recreation and Culture		425,354	630,893	577,236
Transport		6,304,487	6,758,584	10,793,269
Economic Services		281,011	319,329	312,559
Other Property and Services		79,219	79,100	3,214,359
		<u>23,157,594</u>	<u>22,664,183</u>	<u>20,125,588</u>
Expenses				
Governance		(1,254,702)	(1,253,781)	(1,265,151)
General Purpose Funding		(129,880)	(113,046)	(92,500)
Law, Order, Public Safety		(395,659)	(426,867)	(440,549)
Health		(931,470)	(996,940)	(920,846)
Education and Welfare		(904,513)	(3,561,225)	(770,328)
Housing		(430,774)	(592,610)	(542,611)
Community Amenities		(3,869,472)	(3,787,174)	(3,255,426)
Recreation and Culture		(4,225,313)	(4,456,763)	(3,911,720)
Transport		(11,180,385)	(9,245,407)	(8,233,754)
Economic Services		(997,685)	(942,734)	(986,275)
Other Property and Services		(1,255,420)	(500,527)	(1,123,796)
		<u>(25,575,273)</u>	<u>(25,877,074)</u>	<u>(21,542,956)</u>
Net Result Excluding Rates		(2,417,679)	(3,212,891)	(1,417,368)
Adjustments for Cash Budget Requirements: Non-Cash Expenditure and Revenue				
Assets Recognised First Time		0	0	(3,136,000)
Loss on Revaluation of Assets		404,162	0	0
(Profit)/Loss on Asset Disposals	20	16,939	119,835	130,769
Movement in Employee Benefit Provisions (Non-Current)		(37,627)	0	(16,193)
Depreciation and Amortisation on Assets	2(a)	4,193,176	4,038,685	4,346,141
Capital Expenditure and Revenue				
Purchase of Land and Buildings	6(b)	(3,123,273)	(6,409,109)	(343,804)
Purchase of Furniture and Equipment	6(b)	(27,560)	0	0
Purchase of Plant and Equipment	6(b)	(377,293)	(422,000)	(973,646)
Purchase Computer Equipment	6(b)	(78,707)	(100,000)	(93,427)
Purchase Works in Progress	6(b)	(6,130)	0	(27,500)
Purchase Roads	7(b)	(2,764,316)	(4,153,006)	(2,716,933)
Purchase Footpaths	7(b)	(128,468)	0	(65,330)
Purchase Drainage	7(b)	(43,000)	(180,730)	(70,000)
Purchase Derby Wharf Precinct	7(b)	(248,774)	(6,300,000)	(1,244,873)
Purchase Airports	7(b)	(7,500)	(1,100,000)	(4,367,848)
Purchase Street Furniture	7(b)	(34,810)	0	0
Purchase Works in Progress	7(b)	(33,020)	0	(143,424)
Proceeds Multi Purpose Transport Facility		2,874,891	0	0
(Increase)/Decrease in Restricted Grant Funds		(3,276,049)	1,816,741	1,267,535
Proceeds from Disposal of Fixed Assets	20	143,123	411,000	251,228
Repayment of Debentures	21(a)	(148,589)	(245,121)	(116,621)
Proceeds from New Debentures	21(a)	0	7,000,000	0
Transfers To Reserves (Restricted Assets)	11	(601,278)	(784,329)	(1,351,331)
Transfers From Reserves (Restricted Assets)	11	901,698	1,331,832	732,667
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	1,660,916	1,885,446	5,015,343
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	3,224,972	0	1,660,916
Total Amount Raised from General Rate	22(a)	<u>(6,384,140)</u>	<u>(6,303,647)</u>	<u>(6,001,531)</u>

This Statement is to be read in conjunction with the accompanying Notes

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The Financial Report comprises General Purpose Financial Statements which have 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 Financial Report are presented below and have been consistently applied unless stated otherwise.

Except for Cash Flow and Rate Setting information, the 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 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.

Provision for Impairment of Receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent revenue experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Provision for Impairment of Inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent revenue experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of Useful Lives of Assets

The Council determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and infrastructure. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee Benefits Provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of Preparation (Continued)

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.

(b) 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.

(c) Cash and Cash Equivalents

Cash and Cash Equivalents include Cash on Hand, Cash at Bank, Deposits available on demand with Banks and other short term highly liquid Investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and Bank Overdrafts.

Bank Overdrafts are reported as Short Term Borrowings in Current Liabilities in the Statement of Financial Position.

(d) 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 DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) 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 Sale

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

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

Land Held for Sale is classified as current except where it is held as Non-Current based on the Council's intentions to release for sale.

(f) 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.

Thereafter, in accordance with the Regulations, each Asset Class must be revalued at least every 3 years.

In 2013, the Shire of Derby West Kimberley 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.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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.

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.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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:

Buildings	25 to 40 years
Office Furniture and Equipment	3 to 10 years
Plant and Equipment	4 to 15 years
Tools	3 years
Sealed Roads and Streets	
- Formation	not depreciated
- Pavement	40 years
Seal	
- Bituminous Seals	15 years
- Asphalt Surfaces	15 years
Gravel Roads	
- Formation	not depreciated
- Pavement	40 years
- Gravel Sheet	8 years
Formed Roads (Unsealed)	
- Formation	not depreciated
- Pavement	40 years
Footpaths	15 years
Carparks	25 years
Drainage	35 years
Airport Electrical Facilities	10 years
Airport Runways, Aprons and Taxiways	8 years
Signage	5 years
Other Infrastructure Assets	10 years

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

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

Gains and Losses on Disposals are determined by comparing proceeds with the carrying amount. These Gains and Losses are included in the Statement of Comprehensive Income 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.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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).

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.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 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.

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.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(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.

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.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

A Financial Asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which 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.

(i) 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 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.

(j) 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.

SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) 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, salaries and sick leave. 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, salaries and sick leave 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 of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other Long-Term Employee Benefits are recognised in Profit or Loss in the periods in which the changes occur.

The Shire's obligations for Long-Term Employee Benefits are presented as Non-Current Provisions in its Statement of Financial Position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as Current Provisions.

(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.

SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each Asset and exposure to each liability of the arrangement. The Shire's interests in the Assets, Liabilities, Revenue and Expenses of joint operations are included in the respective line items of the Financial Statements. Information about the joint ventures is set out in Note 16.

(q) Revenue

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 of Non Operating Grants arises when the Shire can benefit from funds transferred to it and deny or regulate the access of others to those benefits. Therefore, control arises when the Shire can use funds granted or transferred to purchase goods and services or retain those funds for future purchases.

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.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees

Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations identifies the charges which can be raised. These are television and radio rebroadcasting, underground electricity, property surveillance and security and water services. Excludes rubbish removal and charges for the provision of waste services

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors

Other Revenue

Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates, etc.

(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.

(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 DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

1. 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) (AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038 and Interpretations 2, 5, 10, 12, 19 and 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	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. 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.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Title	Issued/Compiled	Applicable ⁽¹⁾	Impact
(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	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 relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.
(v)	AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations (AASB 1 and AASB 11)	August 2014	1 January 2016	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: Business Combinations, 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. 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.
(vi)	AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation (AASB 116 and 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.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(vii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 (AASB 7, 101, 134 and 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 DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued/Compiled	Applicable ⁽¹⁾	Impact
(x) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (AASB 10, 124 and 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:

⁽¹⁾ Applicable to reporting periods commencing on or after the given date.

(x) 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 were compiled, 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 and 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 DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

2. REVENUE AND EXPENSES	2015	2014	
	\$	\$	
(a) Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
- Audit of the Annual Financial Report	30,217	43,374	
- Grant Acquittals	4,100	0	
- Other Consulting Services	0	8,275	
	<u>34,317</u>	<u>51,649</u>	
Depreciation			
Buildings	1,089,262	1,241,954	
Furniture and Equipment	12,214	25,151	
Plant and Equipment	420,271	425,126	
Computer Equipment	163,169	197,903	
Roads	1,835,413	1,928,279	
Footpaths	49,607	47,209	
Drainage	136,641	134,806	
Parks and Reserves	92,625	107,471	
Derby Wharf and Precinct	183,859	138,846	
Airports	201,850	91,131	
Street Furniture	8,265	8,265	
	<u>4,193,176</u>	<u>4,346,141</u>	
Interest expenses (finance costs)			
Debentures (refer Note 21 (a))	137,567	139,337	
	<u>137,567</u>	<u>139,337</u>	
(ii) Crediting as Revenue:			
Other Revenue			
Reimbursements and Recoveries	631,089	552,041	
Other	293,807	418,948	
	<u>924,896</u>	<u>970,989</u>	
	<u>415,389</u>	<u>364,339</u>	
	2015	2015	2014
	Actual	Budget	Actual
	\$	\$	\$
Interest Earnings			
- Reserve Funds	126,279	142,633	121,982
- Other Funds	126,219	120,000	131,000
- Pensioner Deferred Interest - Rates/ESL	0	3,700	1,242
Other Interest Revenue (Refer Note 26)	162,891	118,000	110,115
	<u>415,389</u>	<u>384,333</u>	<u>364,339</u>

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

Shire of Derby West Kimberley Mission Statement

"To provide leadership, infrastructure and services that meet the needs of the local and wider communities"

Shire 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:

Administration and operation of facilities and services to members of Council. Other cost that relate to the tasks 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 levied, general purpose grants, interest revenue and any other general purpose revenue.

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:

Maintenance of child minding centre, playgroup centre, aged and disabled, youth services, voluntary services and other welfare.

HOUSING

Objective:

Help ensure adequate housing.

Activities:

Maintenance of staff and rental housing.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Rubbish collection services, operation of waste management facilities, protection of the environment, public toilets, cemeteries, and administration of the town planning scheme.

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 public halls, civic centres, aquatic centre, recreation centres and various sporting facilities, reserves, libraries, television transmission and other culture.

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities, drainage works, street trees, street lighting, aerodromes, and water transport facilities.

ECONOMIC SERVICES

Objective:

To help promote the Shire and its economic wellbeing.

Activities:

The regulation and provision of tourism, area promotion, building controls and economic development.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control the Shire's overheads operating accounts.

Activities:

Private works operation, plant repair and operation costs and engineering operation costs.

SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 1/07/13 \$	Received ⁽²⁾ 2013/14 \$	Expended ⁽³⁾ 2013/14 \$	Closing Balance ⁽¹⁾ 30/06/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance 30/06/15 \$
General Purpose Funding								
Country Local Government Fund	3	375,657	19,610	(110,910)	284,357	183,455	(467,812)	0
Governance								
Landcorp - Street Numbering Initiative	4	21,440	0	0	21,440	0	0	21,440
Law, Order and Public Safety								
DFES - Hamlet Grove Bushfire Brigade - ESL Operating	5	8,669	0	(8,669)	0	0	0	0
DFES - State Emergency Services - ESL Operating		7,839	0	(7,839)	0	0	0	0
Health								
Office of Aboriginal Health - Aboriginal Health Program	7	139,330	456,547	(426,930)	168,947	468,638	(459,039)	178,546
Department of Health - Mosquito Program		0	0	0	0	24,784	(13,993)	10,791
Office of Aboriginal Health - Dog Desexing Program		0	100,000	(52,348)	47,652	0	(24,216)	23,436
Education and Welfare								
Various - Youth Services	8	17,953	191,059	(209,012)	0	392,116	(353,847)	38,269
Corrective Services - Youth Diversion Innovation Funding		3,877	0	0	3,877	0	0	3,877
Dept for Community Development - Fitzroy Crossing Resource Centre		100,000	0	0	100,000	0	0	100,000
Department of Health - Healthy Community Initiative		171,828	0	(160,212)	11,616	0	(11,616)	0
Royalties for Regions - Derby Hostel Expansion		0	227,500	0	227,500	0	(227,500)	0 **
Dept of Local Govt - Girls Youth Program		0	0	0	0	10,000	0	10,000
Dept of Corrective Services - Boys Re-Engagement Program		0	0	0	0	46,032	(35,972)	10,060
Housing								
Country Local Government Fund - Regional Fund - Key Worker Housing - Hanson St	9	0	0	0	0	558,877	(10,450)	548,427 **
Country Local Government Fund - Regional Fund - Key Worker Housing - Clarendon St		0	0	0	0	1,553,791	(1,553,791)	0 **
Country Local Government Fund - Regional Fund - Key Worker Housing - Woolybutt St		0	0	0	0	956,843	(956,843)	0 **
Community Amenities								
Department of Planning - Coastal Vulnerability Study	10	0	0	0	0	323,933	(267,825)	56,108
Recreation and Culture								
Kimberley Development Commission - FX Recreation Precinct Plans	11	18,795	0	0	18,795	0	0	18,795
Landcorp - FX Reticulation Southern Side of Highway		10,165	0	0	10,165	0	0	10,165
Children's Book Council of Australia - Children's Book Week		1,718	0	0	1,718	0	(1,718)	0
Various Sponsors - Kimberley Literature Prize		1,998	0	0	1,998	0	0	1,998
Public Libraries Australia - Derby Library Funding		390	0	(91)	299	0	0	299
Sports for All Program - KidSport		0	55,000	0	55,000	0	0	55,000
Dept of Sport and Recreation - Sport and Rec Plan		0	25,000	(8,550)	16,450	0	(16,450)	0
Lotterywest - Heritage Grant		0	0	0	0	11,000	(10,981)	19
Dept of Sport and Rec - Swimming Pool		0	0	0	0	30,000	0	30,000
Kimberley Development Commission - Derby Cattle Works and Trail Markers		0	0	0	0	70,000	0	70,000

SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

2 REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 1/07/13 \$	Received ⁽²⁾ 2013/14 \$	Expended ⁽³⁾ 2013/14 \$	Closing Balance ⁽¹⁾ 30/06/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance 30/06/15 \$
Transport	12							
Road Construction		597,332	555,619	(684,164)	0	0	0	0
RC035 - Main Roads RRG - Clarendon Street		0	0	0	128,000	128,000	(127,576)	128,424
RC081 - WALGGS - AAR 09/10 - Koorabye Extension/Kalyeeda Road		0	0	0	27,222	0	0	27,222
RC081 - Main Roads - AAR 09/10 - Koorabye Extension/Kalyeeda Road		0	0	0	13,610	0	0	13,610
RC168 - WALGGS - AAR (12/13) - Gee Gully Road Intersection - Koorabye		0	0	0	152,225	0	0	152,225
RC168 - WALGGS - AAR (11/12) - Gee Gully Road Intersection - Koorabye		0	0	0	46,277	0	0	46,277
RC168 - Main Roads - AAR (12/13) - Gee Gully Road Intersection - Koorabye		0	0	0	76,453	0	(45,872)	30,581
RC168 - Main Roads - AAR (11/12) - Gee Gully Road Intersection - Koorabye		0	0	0	25,000	0	(15,000)	10,000
RC168 - Main Roads - AAR (13/14) - Gee Gully Road Intersection - Koorabye		0	0	0	0	22,000	0	22,000
RC168 - WALGCC - AAR (13/14) - Gee Gully Road Intersection - Koorabye		0	0	0	0	110,000	0	110,000
RC179 - Main Roads - AAR (14/15) - Calwynyardah Nookanbah Road		0	0	0	0	33,600	0	33,600
RC158 - Main Roads - RRG (14/15) - Cambalin Road Heavy Formation		0	0	0	0	38,000	(38,000)	0
RC056 - Main Roads - RRG (14/15) - Ashley Street		0	0	0	0	4,000	(4,000)	0
RC119 - Main Roads - RRG (14/15) - Forrest Road		0	0	0	0	97,333	(97,333)	0
RC180 - Main Roads - RRG (14/15) - Cherrabun Road		0	0	0	0	10,800	(10,800)	0
RC179 - FAGS - AAR (14/15) - Calwynyardah Nookanbah Road		0	0	0	0	126,000	(126,000)	0
RC180 - FAGS - AAR (14/15) - Cherrabun Road		0	0	0	0	40,500	(40,500)	0
DPAW Road Maintenance - Carryover of Road Maintenance Funding		0	0	0	0	150,000	(71,410)	78,590
Fitzroy Crossing Airport Improvements		1,212,501	1,802,097	(3,014,598)	0	0	0	0
*Multi Purpose Transport Facility		0	0	0	0	2,874,891	0	2,874,891
Club Development Officer		16,645	0	(16,645)	0	0	0	0
Total		2,706,137	3,432,432	(4,699,968)	1,438,601	8,264,593	(4,988,544)	4,714,650

Notes:

(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/Contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

* Funding is provided under a Royalties for Regions - Financial Assistance Agreement between the Department of Regional Development and the Shire of Derby West Kimberley for the Multi-purpose Transport Facility Project.

The full amount of the Funding provided under this Agreement is required to be invested by the Shire of Derby West Kimberley with the Western Australian Treasury Corporation (WATC) until expended as per agreed and approved budget. Under the conditions of the agreement the Shire has opened a separate Overnight Cash Deposit Facility (OCDF) that gives the Shire access to the funds at call. The Department of Regional Development is joint signatory to the WATC ODCF account related to the funding and all withdrawals/drawdowns will require the approved signatures of both the Department and the Shire before WATC will release the funds.

** At 30 June 2015 the Shire had committed this funding for use in accordance with the funding agreement.

SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		2,045,691	(419,056)
Restricted		8,896,067	5,920,438
		10,941,758	5,501,382

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

Leave Reserve	11	430,997	402,749
Airport Reserve	11	338,846	328,886
Plant Reserve	11	287,808	279,348
Office and Depot Equipment Reserve	11	31,374	30,452
Historical Reserve	11	29,186	33,181
Derby Wharf Maintenance Reserve	11	3,545	294,623
Economic Development Reserve	11	18,991	18,432
Staff Housing Reserve	11	962,700	1,257,893
Fitzroy Crossing Recreation Hall Reserve	11	44,554	43,245
Capital Works/Building Reserve	11	536,572	569,331
Aboriginal Environmental Health Reserve	11	0	6,597
Energy Developments Ltd West Kimberley			
Community Donations Reserve	11	256,162	277,751
Administration Building Construction	11	840,682	539,349
Unspent Grants	2(c)	4,714,650	1,438,601
Unspent Loans	21(c)	400,000	400,000
		8,896,067	5,920,438

4. TRADE AND OTHER RECEIVABLES

Current

Rates Outstanding	1,297,865	844,364
Sundry Debtors	1,199,315	2,637,804
GST Receivable	137,140	191,208
Less Provision for Doubtful Rates	(145,516)	(121,191)
Less Provision for Doubtful Debts	(31,250)	(44,891)
	2,457,554	3,507,294

Non-current

Rates Outstanding - Pensioners	37,994	37,994
	37,994	37,994

The ageing of the past due but not impaired receivables (Rates Outstanding and Sundry Debtors) are as follows:

	2015	2014
0 to 3 months Overdue	186,963	1,448,239
3 to 6 months Overdue	189,217	84,940
Over 6 months Overdue	1,132,934	733,540
	1,509,114	2,266,719

5. INVENTORIES

Current

Fuel and Materials	5,056	12,040
Curtin Kiosk - Stock	1,755	4,075
Fitzroy Crossing Visitors Centre - Stock	93,857	114,368
	100,668	130,483

SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2014 - Level 2	6,834,000	6,834,000
	<u>6,834,000</u>	<u>6,834,000</u>
Land Vested in and under the Control of Council at:		
- Independent Valuation 2013 - Level 3	93,000	93,000
	<u>93,000</u>	<u>93,000</u>
	<u>6,927,000</u>	<u>6,927,000</u>
Buildings at:		
- Independent Valuation 2014 - Level 2	36,367,675	36,367,675
- Additions after Valuation - Cost	3,141,738	0
Less: Accumulated Depreciation	<u>(2,337,357)</u>	<u>(1,248,095)</u>
	37,172,056	35,119,580
	<u>44,099,056</u>	<u>42,046,580</u>
Furniture and Equipment at:		
- Additions after Valuation - Cost	27,561	0
- Independent Valuation 2013	60,643	60,643
Less: Accumulated Depreciation	<u>(37,366)</u>	<u>(25,151)</u>
	50,838	35,492
Plant and Equipment at:		
- Management Valuation 2013 - Level 2	371,394	455,294
- Additions after Valuation - Cost	1,340,208	973,646
- Independent Valuation 2013	1,703,300	1,840,300
Less: Accumulated Depreciation	<u>(736,271)</u>	<u>(376,838)</u>
	2,678,631	2,892,402
Computer Equipment at:		
- Additions after Valuation - Cost	78,707	0
- Independent Valuation 2013	591,633	591,633
Less Accumulated Depreciation	<u>(361,071)</u>	<u>(197,903)</u>
	309,269	393,730
Works in Progress at:		
- Additions after Valuation - Cost	156,326	261,015
	<u>156,326</u>	<u>261,015</u>
Computer Software and Licences at:		
- Additions after Valuation - Cost	27,500	27,500
	<u>27,500</u>	<u>27,500</u>
	<u>47,321,620</u>	<u>45,656,719</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 DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

6. 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	6,834,000	0	0	0	0	0	0	6,834,000
Land Vested in and under the Control of Council	93,000	0	0	0	0	0	0	93,000
Total Land	6,927,000	0	0	0	0	0	0	6,927,000
Buildings	35,119,580	3,123,273	0	0	0	(1,089,262)	18,465	37,172,056
Total Buildings	35,119,580	3,123,273	0	0	0	(1,089,262)	18,465	37,172,056
Total Land and Buildings	42,046,580	3,123,273	0	0	0	(1,089,262)	18,465	44,099,056
Furniture and Equipment	35,492	27,560	0	0	0	(12,214)	0	50,838
Plant and Equipment	2,892,402	377,293	(160,063)	0	0	(420,271)	(10,730)	2,678,631
Computer Equipment	393,730	78,707	0	0	0	(163,168)	0	309,269
Works in Progress	261,015	6,130	0	0	0	0	(110,819)	156,326
Computer Software and Licences	27,500	0	0	0	0	0	0	27,500
Total Property, Plant and Equipment	45,656,719	3,612,963	(160,063)	0	0	(1,684,915)	(103,084)	47,321,620

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

6. 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	
Land Vested in and under the Control of Council	3	Improvements to land using Income capitalisation approach	Independent Registered Valuers	June 2013	Valued based on tenancy is for fixed term and that the lesee is granted exclusive possession of area and has authority to sub lease
Buildings	2	Improvements to land valued using using cost approach using depreciated replacement cost (Net Valuation method)	Independent Registered Valuers	July 2013	Perth based construction rates with appropriate district allowance applied to each location
Specialised Buildings					
Furniture and Equipment					
	2	Market approach using recent observable market data for similar assets and cost approach for non market - type assets (Net Valuation method)	Independent Registered Valuers	June 2013	Observable market data
Plant and Equipment					
	2	Market approach using recent observable market data for similar assets and cost approach for non market - type assets. (Net Valuation method)	Independent Registered Valuers	June 2013	Observable market data
Computer Equipment					
	2	Market approach using recent observable market data for similar assets and cost approach for non market - type assets (Net Valuation method)	Independent Registered Valuers	June 2013	Observable market data

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 DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
7 (a). INFRASTRUCTURE		
Roads		
- Independent Valuation 2015 - Level 3	162,980,507	0
- Management Valuation 2015 - Level 3	330,986	0
- Cost	0	107,601,030
Less Accumulated Depreciation	<u>(39,916,568)</u>	<u>(71,314,012)</u>
	123,394,925	36,287,018
Footpaths		
- Management Valuation 2015 - Level 3	2,831,355	0
- Cost	0	2,625,001
Less Accumulated Depreciation	<u>(1,135,181)</u>	<u>(603,526)</u>
	1,696,174	2,021,475
Drainage		
- Independent Valuation 2015 - Level 3	7,800,540	0
- Cost	0	4,782,350
Less Accumulated Depreciation	<u>(642,695)</u>	<u>(2,216,773)</u>
	7,157,845	2,565,577
Parks and Reserves		
- Independent Valuation 2015 - Level 3	3,730,000	0
- Management Valuation 2015 - Level 3	698,659	0
- Cost	0	5,621,797
Less Accumulated Depreciation	<u>(1,759,748)</u>	<u>(4,526,119)</u>
	2,668,911	1,095,678
Derby Wharf and Precinct		
- Independent Valuation 2015 - Level 3	77,678,000	0
- Cost	0	4,564,118
Less Accumulated Depreciation	<u>(65,685,000)</u>	<u>(878,098)</u>
	11,993,000	3,686,020
Airports		
- Independent Valuation 2015 - Level 3	23,608,000	0
- Cost	0	18,259,039
Less Accumulated Depreciation	<u>(13,383,000)</u>	<u>(13,258,116)</u>
	10,225,000	5,000,923
Street Furniture		
- Management Valuation 2015 - Level 3	200,106	165,296
Less Accumulated Depreciation	<u>(125,055)</u>	<u>(116,790)</u>
	75,051	48,506
Works in Progress		
- Cost	<u>209,988</u>	<u>176,968</u>
	209,988	176,968
	<u>157,420,894</u>	<u>50,882,165</u>

The Fair Value of Infrastructure 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 infrastructure to be shown at Fair Value.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

7. 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	36,287,018	2,764,316	0	86,075,918	0	(1,835,413)	103,086	123,394,925
Footpaths	2,021,475	128,468	0	(404,162)	0	(49,607)	0	1,696,174
Drainage	2,565,577	43,000	0	4,685,909	0	(136,641)	0	7,157,845
Parks and Reserves	1,095,678	0	0	1,665,859	0	(92,626)	0	2,668,911
Derby Wharf and Precinct	3,686,020	248,774	0	8,242,065	0	(183,859)	0	11,993,000
Airports	5,000,923	7,500	0	5,418,427	0	(201,850)	0	10,225,000
Street Furniture	48,506	34,810	0	0	0	(8,265)	0	75,051
Works in Progress	176,968	33,020	0	0	0	0	0	209,988
Total Infrastructure	<u>50,882,165</u>	<u>3,259,888</u>	<u>0</u>	<u>105,684,016</u>	<u>0</u>	<u>(2,508,261)</u>	<u>103,086</u>	<u>157,420,894</u>

The revaluation of infrastructure assets resulted in an increase on revaluation of \$105,684,016 in the net value of infrastructure.

An increase of \$106,088,178 was credited to the Revaluation Surplus in the Shire's Equity (refer Note 12) and was recognised as Changes on Revaluation of Non-Current Assets. The decrement of \$404,162 was recognised as a Loss on Revaluation through Profit and Loss in the Statement of Comprehensive Income.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Valuation	Inputs Used
Roads	3	Depreciated replacement cost (Gross Revaluation method)	Independent Valuation	June 2015	Independent condition assessment based on actual condition. Construction costs, residual values and useful life assessments
Footpaths	3	Depreciated replacement cost (Gross Revaluation method)	Management Valuation	June 2015	Construction costs and current condition assessments
Drainage	3	Depreciated replacement cost (Gross Revaluation method)	Independent Valuation	June 2015	Independent condition assessment based on actual condition. Construction costs, residual values and useful life assessments
Parks and Reserves	3	Depreciated replacement cost (Gross Revaluation method)	Independent Valuation	June 2015	Independent condition assessment based on actual condition. Construction costs, residual values and useful life assessments
Derby Wharf and Precinct	3	Depreciated replacement cost (Gross Revaluation method)	Independent Valuation	June 2015	Independent condition assessment based on actual condition. Construction costs, residual values and useful life assessments
Airports	3	Depreciated replacement cost (Gross Revaluation method)	Independent Valuation	June 2015	Independent condition assessment based on actual condition. Construction costs, residual values and useful life assessments

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 to determine the Fair Value of infrastructure using level 3 inputs.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	948,944	1,060,497
Unexpended Non Operating Grant	2,874,891	0
Excess Rate Receipts	81,177	68,249
Accrued Interest	14,145	19,530
Accrued Salaries and Wages	0	194,769
PAYG Withholding Tax	0	115,750
	3,919,157	1,458,795
	3,919,157	1,458,795

9. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge		
Debentures	144,470	135,738
	144,470	135,738
	144,470	135,738
Non-Current		
Secured by Floating Charge		
Debentures	2,142,971	2,300,292
	2,142,971	2,300,292
	2,142,971	2,300,292

Additional detail on Borrowings is provided in Note 21

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2014			
Current	452,078	276,139	728,217
Non-Current	0	107,500	107,500
	452,078	383,639	835,717
Additional Provision	727,418	154,140	881,558
Amounts Used	(580,474)	(103,045)	(683,519)
Balance at 30 June 2015	599,022	434,734	1,033,756
	599,022	434,734	1,033,756
Comprises			
Current	599,022	364,861	963,883
Non-Current	0	69,873	69,873
	599,022	434,734	1,033,756
	599,022	434,734	1,033,756

SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	402,749	402,749	369,727
Amount Set Aside/Transfer to Reserve	53,732	54,096	33,022
Amount Used/Transfer from Reserve	(25,484)	0	0
	<u>430,997</u>	<u>456,845</u>	<u>402,749</u>
(b) Airport Reserve			
Opening Balance	328,886	328,886	172,799
Amount Set Aside/Transfer to Reserve	11,213	11,511	156,087
Amount Used/Transfer from Reserve	(1,253)	0	0
	<u>338,846</u>	<u>340,397</u>	<u>328,886</u>
(c) Plant Reserve			
Opening Balance	279,349	279,349	496,848
Amount Set Aside/Transfer to Reserve	9,523	9,777	32,501
Amount Used/Transfer from Reserve	(1,064)	0	(250,000)
	<u>287,808</u>	<u>289,126</u>	<u>279,349</u>
(d) Office and Depot Equipment Reserve			
Opening Balance	30,452	30,452	29,415
Amount Set Aside/Transfer to Reserve	1,038	19,066	1,037
Amount Used/Transfer from Reserve	(116)	0	0
	<u>31,374</u>	<u>49,518</u>	<u>30,452</u>
(e) Historical Reserve			
Opening Balance	33,181	33,181	32,053
Amount Set Aside/Transfer to Reserve	1,131	1,161	1,128
Amount Used/Transfer from Reserve	(5,126)	0	0
	<u>29,186</u>	<u>34,342</u>	<u>33,181</u>
(f) Derby Wharf Maintenance Reserve			
Opening Balance	294,622	294,622	405,989
Amount Set Aside/Transfer to Reserve	10,046	10,312	189,300
Amount Used/Transfer from Reserve	(301,123)	(300,000)	(300,667)
	<u>3,545</u>	<u>4,934</u>	<u>294,622</u>
(g) Economic Development Reserve			
Opening Balance	18,432	18,432	17,805
Amount Set Aside/Transfer to Reserve	629	645	627
Amount Used/Transfer from Reserve	(70)	0	0
	<u>18,991</u>	<u>19,077</u>	<u>18,432</u>
(h) Staff Housing Reserve			
Opening Balance	1,257,893	1,257,893	896,322
Amount Set Aside/Transfer to Reserve	129,999	121,599	361,571
Amount Used/Transfer from Reserve	(425,192)	(422,000)	0
	<u>962,700</u>	<u>957,492</u>	<u>1,257,893</u>
(i) Fitzroy Crossing Recreation Hall Reserve			
Opening Balance	43,245	43,245	41,774
Amount Set Aside/Transfer to Reserve	1,474	1,514	1,471
Amount Used/Transfer from Reserve	(165)	0	0
	<u>44,554</u>	<u>44,759</u>	<u>43,245</u>

SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH BACKED (CONTINUED)			
(j) Capital Works/Building Reserve			
Opening Balance	569,331	569,331	549,960
Amount Set Aside/Transfer to Reserve	69,411	69,927	19,371
Amount Used/Transfer from Reserve	(102,170)	(400,000)	0
	<u>536,572</u>	<u>239,258</u>	<u>569,331</u>
(k) Aboriginal Environmental Health Reserve			
Opening Balance	6,598	6,598	104,903
Amount Set Aside/Transfer to Reserve	224	0	3,695
Amount Used/Transfer from Reserve	(6,822)	(6,598)	(102,000)
	<u>0</u>	<u>0</u>	<u>6,598</u>
(l) Energy Developments Ltd West Kimberley Community Donations Reserve			
Opening Balance	277,750	277,750	345,578
Amount Set Aside/Transfer to Reserve	9,470	9,721	12,172
Amount Used/Transfer from Reserve	(31,058)	(80,000)	(80,000)
	<u>256,162</u>	<u>207,471</u>	<u>277,750</u>
(m) Administration Building Construction			
Opening Balance	539,349	539,349	0
Amount Set Aside/Transfer to Reserve	303,388	285,000	539,349
Amount Used/Transfer from Reserve	(2,055)	0	0
	<u>840,682</u>	<u>824,349</u>	<u>539,349</u>
(n) Waste Management Facility Reserve			
Opening Balance	0	0	0
Amount Set Aside/Transfer to Reserve	0	180,000	0
Amount Used/Transfer from Reserve	0	(123,234)	0
	<u>0</u>	<u>56,766</u>	<u>0</u>
(o) Recreation Equipment Reserve			
Opening Balance	0	0	0
Amount Set Aside/Transfer to Reserve	0	10,000	0
Amount Used/Transfer from Reserve	0	0	0
	<u>0</u>	<u>10,000</u>	<u>0</u>
TOTAL RESERVES	<u>3,781,417</u>	<u>3,534,334</u>	<u>4,081,837</u>
Total Opening Balance	4,081,837	4,081,837	3,463,173
Total Amount set Aside/Transfer to Reserve	601,278	784,329	1,351,331
Total Amount Used/Transfer from Reserve	(901,698)	(1,331,832)	(732,667)
TOTAL RESERVES	<u>3,781,417</u>	<u>3,534,334</u>	<u>4,081,837</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 DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

11. 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) Leave Reserve

- To be used to fund Annual and Long Service Leave requirements

(b) Airport Reserve

- To be used to fund Airport Capital Works, principally bitumen resealing

(c) Plant Reserve

- For the replacement of Major Plant as per Council's Plan for the Future of the District

(d) Office and Depot Equipment Reserve

- For the replacement of Office and Depot Equipment as per Council's Plan for the Future of the District

(e) Historical Reserve

- To be used for History related works

(f) Derby Wharf Maintenance Reserve

- To be used to carry out Major Wharf Maintenance

(g) Economic Development Reserve

- To promote Economic Development within the Shire

(h) Staff Housing Reserve

- To be used for the construction of Staff Housing

(i) Fitzroy Crossing Recreation Hall Reserve

- Used to quarantine funds received from the lease of the FX Recreation Hall to be utilised for any upgrade works

(j) Capital Works/Building Reserve

- To help with the Construction/Maintenance of Major Capital Works

(k) Aboriginal Environmental Health Reserve

- Used to quarantine grant funds relating to the Aboriginal Environmental Health Program run by Council. Can be used to fund replacement of capital items such as vehicles

(l) Energy Developments Ltd West Kimberley Community Donations Reserve

- To administer the funds provided by Energy Developments Limited to create lasting value throughout the West Kimberley by contributing to not-for-profit projects or activities that benefit the Shire of Derby West Kimberley

(m) Administration Building Construction

- To be used to fund the new Derby Administration Building

(n) Waste Management Facility Reserve

- To be used to provide funding for Maintenance and Future Works for the Waste Management Facilities within the Shire

(o) Recreation Equipment Reserve

- To be used to fund the replacement of fitness equipment at the Derby Community Gym.

The Leave and Plant Reserves are not expected to be used within a set period as further transfers to the Reserve Accounts are expected as funds are utilised

SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

12. REVALUATION SURPLUS

Revaluation Surpluses have arisen on Revaluation of the following classes of Non-Current Assets:

	2015	2014
	\$	\$
(a) Land and Buildings		
Opening Balance	18,418,571	0
Revaluation Increment	0	18,418,571
Revaluation Decrement	0	0
	<u>18,418,571</u>	<u>18,418,571</u>
(b) Plant and Equipment		
Opening Balance	586,000	586,000
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>586,000</u>	<u>586,000</u>
(c) Computer Equipment		
Opening Balance	143,259	143,259
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>143,259</u>	<u>143,259</u>
(d) Roads		
Opening Balance	0	0
Revaluation Increment	86,075,918	0
Revaluation Decrement	0	0
	<u>86,075,918</u>	<u>0</u>
e) Drainage		
Opening Balance	0	0
Revaluation Increment	4,685,909	0
Revaluation Decrement	0	0
	<u>4,685,909</u>	<u>0</u>
f) Parks and Reserves		
Opening Balance	0	0
Revaluation Increment	1,665,859	0
Revaluation Decrement	0	0
	<u>1,665,859</u>	<u>0</u>
g) Derby Wharf and Precinct		
Opening Balance	0	0
Revaluation Increment	8,242,065	0
Revaluation Decrement	0	0
	<u>8,242,065</u>	<u>0</u>
h) Airports		
Opening Balance	0	0
Revaluation Increment	5,418,428	0
Revaluation Decrement	0	0
	<u>5,418,428</u>	<u>0</u>
TOTAL ASSET REVALUATION SURPLUS	<u>125,236,008</u>	<u>19,147,830</u>
Opening Balance	19,147,830	729,259
Revaluation Increment	106,088,178	18,418,571
Revaluation Decrement	0	0
Closing Balance	<u>125,236,008</u>	<u>19,147,830</u>

SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2015 \$	2015 Budget \$	2014 \$
Cash and Cash Equivalents	<u>10,941,758</u>	<u>3,771,995</u>	<u>5,501,382</u>

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

Net Result	3,966,461	3,090,756	4,584,163
Non-Cash Flows in Net Result:			
Depreciation	4,193,176	4,038,685	4,346,141
(Profit)/Loss on Sale of Asset	16,939	119,388	130,769
Fair Value adjustments to Financial Assets at Fair Value through Profit or Loss	404,162	0	0
Non-Current Assets recognised due to changes in legislative requirements	0	0	(3,136,000)
Changes in Assets and Liabilities:			
(Increase)/Decrease in Receivables	775,166	2,052,848	(789,372)
(Increase)/Decrease in Inventories	29,815	52,130	14,835
Increase/(Decrease) in Payables	2,734,936	404,981	80,235
Increase/(Decrease) in Provisions	198,038	70,792	82,816
Grants Contributions for the Development of Assets	<u>(13,312,492)</u>	<u>(8,399,819)</u>	<u>(6,894,639)</u>
Net Cash from Operating Activities	<u>(993,799)</u>	<u>1,429,761</u>	<u>(1,581,052)</u>

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

	2015 \$	2014 \$
Credit Card Limit	50,000	50,000
Credit Card Balance at Balance Date	<u>0</u>	<u>0</u>
Total amount of Credit Unused	<u>50,000</u>	<u>50,000</u>

Loan facilities

Loan Facilities - Current	144,470	135,738
Loan Facilities - Non-Current	2,142,971	2,300,292
Total Facilities in use at Balance Date	<u>2,287,441</u>	<u>2,436,030</u>

Unused Loan Facilities at Balance Date

<u>NIL</u>	<u>NIL</u>
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**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

14. CONTINGENT LIABILITIES

The Shire of Derby West Kimberly has in compliance with the Contaminated Sites Act 2003 section 11 listed sites to be possible sources of contamination - details of those sites:

- Derby Airport
- Myalls Bore
- Fitzroy Crossing Works Depot
- Derby Works Depot
- Derby Landfill Site
- Fitzroy Crossing Landfill Site
- Camballin Landfill Sites
- Derby Cemetery
- Fitzroy Crossing Cemetery
- Camballin Cemetery

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Environment Regulation the need and criteria for remediation, the Shire is unable to accurately quantify its clean-up liabilities for potentially contaminated sites. The Shire is continuing to monitor the sites and will progressively undertake site investigations and remediation on a risk based approach. This approach is consistent with the Department of Environment Regulation Guidelines.

15. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

The Shire did not have any future Operating Lease Commitments at the reporting date

(b) Capital Expenditure Commitments

	2015	2014
	\$	\$
Contracted for:		
- Capital Expenditure Projects	1,400,140	2,299,809
Payable:		
- Not later than one year	1,400,140	2,299,809

The Capital Expenditure projects outstanding at the end of the current reporting period represents:

- The construction of new Staff Housing Units on Clarendon St which will be finished in the first half of 2015/16 financial year.
- Road Construction Projects

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

16. JOINT VENTURE ARRANGEMENTS

The Shire of Derby West Kimberley is not involved in any Joint Venture arrangements

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015	2014
	\$	\$
Governance	2,571,066	2,590,514
General Purpose Funding	13,499,983	10,216,295
Law, Order, Public Safety	554,799	599,689
Health	375,838	453,776
Education and Welfare	2,555,978	2,629,546
Housing	9,713,318	6,890,793
Community Amenities	1,924,659	4,452,333
Recreation and Culture	15,781,034	15,663,371
Transport	162,939,289	53,663,113
Economic Services	5,115,368	5,249,024
Other Property and Services	3,249,156	3,307,583
	<u>218,280,488</u>	<u>105,716,037</u>

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

18. FINANCIAL RATIOS	2015	2014	2013
Current Ratio	2.67	1.68	3.70
Asset Sustainability Ratio	0.64	3.42	1.67
Debt Service Cover Ratio	1.94	8.57	9.00
Operating Surplus Ratio	(0.28)	(0.43)	(0.02)
Own Source Revenue Coverage Ratio	0.49	0.59	0.69

The above Ratios are calculated as follows:

Current Ratio	$\frac{\text{Current Assets minus Restricted Assets}}{\text{Current Liabilities minus Liabilities associated with Restricted Assets}}$
Asset Sustainability Ratio	$\frac{\text{Capital Renewal and Replacement Expenditure}}{\text{Depreciation Expenses}}$
Debt Service Cover Ratio	$\frac{\text{Annual Operating Surplus before Interest and Depreciation}}{\text{Principal and Interest}}$
Operating Surplus Ratio	$\frac{\text{Operating Revenue minus Operating Expenses}}{\text{Own Source Operating Revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{Own Source Operating Revenue}}{\text{Operating Expenses}}$

Notes:

Information relating to the Asset Consumption Ratio and the Asset Renewal Funding Ratio can be found at Supplementary Ratio Information on Page 134 of this document

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

19. TRUST FUNDS

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

	Balance 1 July 2014 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2015 \$
Prepaid/Overpaid Rates	2,215	0	0	2,215
Deposits - Hall	7,995	29,643	-29,894	7,744
Deposits - Other	340,597	14,989	-20,258	335,328
Grants - Other	91	0	0	91
BCITF Levies	6,757	27,403	-32,102	2,058
BRB Levies	2,933	13,875	-15,977	831
FX Visitors Centre Tour Groups	30,487	167,946	-166,647	31,786
Sale of Art	3,040	12,530	-11,205	4,365
Cemetery Publications	956	0	0	956
Parking/Footpath/Streets Contributions	241,999	155,310	-123,136	274,173
Donations - Other	0	406	-406	0
	<u>637,070</u>			<u>659,547</u>

20. DISPOSALS OF ASSETS - 2014/2015 FINANCIAL YEAR

The following Assets were disposed of during the year:

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant and Equipment						
Governance	61,975	70,171	65,659	63,000	3,684	(7,171)
Health	33,082	37,459	30,109	33,000	(2,973)	(4,459)
Housing	0	340,000	0	250,000	0	(90,000)
Transport	28,983	40,455	20,910	30,000	(8,073)	(10,455)
Other Property and Services	36,023	42,750	26,445	35,000	(9,578)	(7,750)
	<u>160,063</u>	<u>530,835</u>	<u>143,123</u>	<u>411,000</u>	<u>(16,940)</u>	<u>(119,835)</u>

Profit	17,040	2,207
Loss	(33,979)	(122,042)
	<u>(16,939)</u>	<u>(119,835)</u>

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2014 \$	New Loans \$	Principal Repayments		Principal 30 June 2015		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
Loan 136 - Staff Housing	203,357	0	14,951	14,951	188,406	188,406	13,020	13,010
Loan 146 - Staff Housing	830,373	0	31,217	31,217	799,156	799,156	52,316	52,076
Loan 148 - Staff Housing	374,030	0	13,876	13,876	360,154	360,154	16,874	16,642
Recreation and culture								
Loan 135 - Civic Centre Renovations	186,857	0	37,545	24,694	149,312	162,163	9,131	9,145
Transport								
Loan 144 - Fitzroy Crossing Airport Reseal	34,670	0	16,800	16,800	17,870	17,870	1,847	1,770
Loan 145 - Wharf Fenders and Boat Ramp	339,205	0	16,855	16,855	322,350	322,350	23,286	24,387
Loan 150 - Derby Wharf Revitalisation	0	0	0	93,757	0	0	0	133,800
Loan 151 - Derby Airport Electrical and Water Infrastructure	0	0	0	15,626	0	0	0	22,300
Economic services								
Loan 149 - Derby Visitors Centre	467,539	0	17,345	17,345	450,194	450,194	21,093	20,800
	2,436,031	0	148,589	245,121	2,287,442	2,300,293	137,567	293,930

All Loan Repayments were financed by General Purpose Revenue

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2014/2015

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used		Balance Unspent
	Actual \$	Budget \$						Actual \$	Budget \$	
Loan 150 - Derby Wharf Revitalisation	0	6,000,000	-	-	-	0	-	0	6,000,000	0
Loan 151 - Derby Airport Utilities Infrastructure	0	1,000,000	-	-	-	0	-	0	1,000,000	0
	0	7,000,000	-	-	-	0	-	0	7,000,000	0

The Shire did not take up any new debentures during the year ended 30 June 2015

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1 July 14 \$	Borrowed During Year \$	Expended During Year \$	Balance 30 June 15 \$
Loan 148 Staff Housing	29/06/2012	400,000	0	0	400,000
		400,000	0	0	400,000

(d) Overdraft

Council did not utilise an Overdraft Facility during the 2014/2015 financial year

SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

22. RATING INFORMATION - 2015/2015 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate/General Rate											
Gross Rental Value Valuations											
GRV Residential	10.0901	1,399	30,820,614	3,109,831	0	0	3,109,831	3,109,831	0	0	3,109,831
GRV Commercial	10.0901	114	7,535,298	760,319	0	0	760,319	760,319	0	0	760,319
GRV Industrial	10.0901	72	2,381,328	240,278	0	0	240,278	240,278	0	0	240,278
GRV Special Rural	10.0901	29	182,660	18,431	0	0	18,431	18,431	0	0	18,431
GRV Other Locations	10.0901	6	93,860	9,471	0	0	9,471	9,471	0	0	9,471
Unimproved Value Valuations											
UV Residential	19.6995	1	22,500	4,432	0	0	4,432	4,432	0	0	4,432
UV Commercial	19.6995	1	75,000	14,775	0	0	14,775	14,775	0	0	14,775
UV Mining	24.3151	211	4,446,421	1,171,486	0	0	1,171,486	1,085,577	0	0	1,085,577
UV Pastoral	3.9675	44	21,446,092	850,874	0	0	850,874	850,874	0	0	850,874
UV Islands	19.6995	1	250,000	49,249	0	0	49,249	49,249	0	0	49,249
UV Other Locations	19.6995	4	175,000	34,474	0	0	34,474	34,474	0	0	34,474
UV Concessions Raised	19.6995	3	675,000	132,972	0	0	132,972	132,972	0	0	132,972
Sub-Totals		1,885	68,103,773	6,396,591	0	0	6,396,591	6,310,683	0	0	6,310,683
Minimum Payment	Minimum \$										
Gross Rental Value Valuations											
GRV Residential	880	93	360,065	81,840	0	0	81,840	81,840	0	0	81,840
GRV Commercial	880	7	34,380	6,160	0	0	6,160	6,160	0	0	6,160
GRV Industrial	880	2	10,930	1,760	0	0	1,760	1,760	0	0	1,760
GRV Special Rural	880	17	79,500	14,960	0	0	14,960	14,960	0	0	14,960
GRV Other Locations	880	1	6,600	880	0	0	880	880	0	0	880
Unimproved Value Valuations											
UV Mining	880	87	84,587	76,560	0	0	76,560	73,040	0	0	73,040
UV Pastoral	880	7	80,500	6,160	0	0	6,160	6,160	0	0	6,160
Sub-Totals		214	656,562	188,320	0	0	188,320	184,800	0	0	184,800
Ex-Gratia Rates							6,584,911				6,495,483
Interim Rates							0				0
Discounts/Concessions (Refer Note 25)							56,037				25,000
Total Amount Raised from General Rate							(256,808)				(216,836)
Specified Area Rate (Refer Note 23)							6,384,140				6,303,647
Totals							0				0
							6,384,140				6,303,647

SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

22. 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>3,224,972</u>	<u>1,660,916</u>	<u>1,660,916</u>
Comprises:			
Cash and Cash Equivalents			
Unrestricted	2,045,691	(419,056)	(419,056)
Restricted	8,896,067	5,920,438	5,920,438
Receivables			
Rates Outstanding	1,297,665	844,364	844,364
Sundry Debtors	1,199,515	2,637,804	2,637,804
GST Receivable	481,888	191,208	191,208
Less Provision for Doubtful Rates	(145,516)	(121,191)	(121,191)
Less Provision for Doubtful Debts	(31,250)	(44,891)	(44,891)
Inventories			
Fuel and Materials	5,056	12,040	12,040
Curtin Kiosk - Stock	1,755	4,075	4,075
Fitzroy Crossing Visitors Centre - Stock	93,857	114,368	114,368
Less:			
Trade and Other Payables			
Sundry Creditors	(966,983)	(1,273,367)	(1,273,367)
ATO Liabilities	(344,748)	(115,750)	(115,750)
ESL Liability	3,895	(1,429)	(1,429)
Excess Rate Receipts	(81,177)	(68,249)	(68,249)
Current Portion of Long Term Borrowings			
Secured by Floating Charge	(144,470)	(135,738)	(135,738)
Provisions			
Provision for Annual Leave	(334,676)	(99,010)	(99,010)
Net Current Assets	<u>11,976,569</u>	<u>7,445,616</u>	<u>7,445,616</u>
Less:			
Reserves - Restricted Cash	(3,781,417)	(4,081,837)	(4,081,837)
Unspent Grants	(4,714,650)	(1,438,601)	(1,438,601)
Unspent Loans	(400,000)	(400,000)	(400,000)
Add:			
Secured by Floating Charge	144,470	135,738	135,738
Surplus/(Deficit)	<u>3,224,972</u>	<u>1,660,916</u>	<u>1,660,916</u>

Difference

There was no difference between the Surplus/(Deficit) 1 July 2014 Brought Forward Position used in the 2015 Audited Financial Report and the Surplus/(Deficit) Carried Forward Position as disclosed in the 2014 Audited Financial Report.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

23. SPECIFIED AREA RATE - 2014/2015 FINANCIAL YEAR

No Specified Area Rates were raised in the 2014/2015 financial year

24. SERVICE CHARGES - 2014/2015 FINANCIAL YEAR

No Service Charges were raised during the 2014/2015 financial year

25. DISCOUNTS, INCENTIVES, CONCESSIONS, AND WRITE-OFFS - 2014/2015 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Rate Assessment	Concessions	N/A	138,260	141,836
Rate Assessment	Write-Off	N/A	49,308	10,000
General Rates	Discount	2.00%	69,240	65,000
			256,808	216,836
Landing Fees	Waiver	N/A	58,467	40,000

A Discount on Rates is granted to all who pay their Rates in full with 35 days of the date of service appearing on the Rate Notice.

In an endeavour to improve the physical and health lifestyle of Council employees Council granted permanent staff the use of Council managed Recreation and Aquatic Facilities with a 50% discount on normal applicable fees.

100% waived Landing Fees to the Royal Flying Doctor Service. This an essential service for the Shire of Derby West Kimberley and the waiving of landing fees for this not for profit organisation was approved in 2013/2014.

Facilities Use - Community Organisations: Several not for profit for organisation were afforded the use of the Shires facilities during the construction of their regular facilities.

26. INTEREST, CHARGES AND INSTALMENTS - 2014/2015 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	0	143,093	90,000
Interest on Unpaid Emergency Services Levy	11.00%	0	1,706	2,200
Interest on Instalments Plan	5.50%	0	18,092	28,000
Charges on Instalment Plan	-	8	6,352	10,000
			169,243	130,200

Ratepayers had the option of paying Rates either in four equal instalments, due on 16 October 2014, 16 December 2014, 16 February 2015 and 16 April 2015 or two instalments due on the 16 October 2014 and 16 December 2014.

Administration Charges and Interest is applied for the final three instalments.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

27. FEES AND CHARGES	2015	2014
	\$	\$
Governance	41,310	31,624
General Purpose Funding	9,527	14,136
Law, Order, Public Safety	17,384	16,563
Health	49,296	37,588
Education and Welfare	699	6,318
Housing	30,068	79,047
Community Amenities	1,859,056	1,979,445
Recreation and Culture	148,069	199,948
Transport	2,525,432	3,285,262
Economic Services	36,487	61,328
Other Property and Services	34,069	29,862
	<u>4,751,397</u>	<u>5,741,121</u>

There were no changes during the year to the amount of the Fees or Charges detailed in the Original Budget

28. GRANT REVENUE

Grants, Subsidies and Contributions are included as Operating Revenues in the Statement of Comprehensive Income:

By Nature or Type:	2015	2014
	\$	\$
Operating Grants, Subsidies and Contributions	7,846,860	2,994,875
Non-Operating Grants, Subsidies and Contributions	9,202,012	6,894,639
	<u>17,048,872</u>	<u>9,889,514</u>
By Program:		
Governance	0	0
General Purpose Funding	9,097,449	1,660,449
Law, Order, Public Safety	0	5,051
Health	477,063	471,372
Education and Welfare	425,145	417,557
Housing	3,079,968	0
Community Amenities	323,934	0
Recreation and Culture	131,697	159,064
Transport	3,506,799	7,168,373
Economic Services	82	0
Other Property and Services	6,735	7,649
	<u>17,048,872</u>	<u>9,889,514</u>

29. EMPLOYEE NUMBERS

The number of Full-Time Equivalent Employees at Balance Date

<u>79</u>	<u>77</u>
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**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

30. ELECTED MEMBERS REMUNERATION

	2015 \$	2015 Budget \$	2014 \$
The following Fees, Expenses and Allowances were paid to Council Members and/or the President			
Meeting Fees	137,114	154,125	147,444
President's Allowance	45,000	45,000	45,000
Deputy President's Allowance	10,841	11,250	10,669
Travelling Expenses	26,042	53,000	50,213
IT and Telecommunications Allowance	30,600	30,600	29,566
Misc. Expenses - Insurance, Subscriptions	118,547	111,826	98,315
Receptions/Entertainment/Meals/Refreshments	8,236	9,000	6,959
	<u>376,380</u>	<u>414,801</u>	<u>388,166</u>

31. MAJOR LAND TRANSACTIONS

Council did not participate in any Major Land Transactions during the 2014/2015 financial year.

The Shire did not participate in any Trading Undertakings or Major Trading Undertakings during the 2014/2015 financial year.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

32. FINANCIAL RISK MANAGEMENT

The Shire's activities expose it to a variety of Financial Risks including Price Risk, 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	10,941,758	5,501,382	10,941,758	5,501,382
Receivables	2,495,548	3,545,288	2,495,548	3,545,288
	<u>13,437,306</u>	<u>9,046,670</u>	<u>13,437,306</u>	<u>9,046,670</u>
Financial Liabilities				
Payables	3,919,157	1,458,795	3,919,156	1,458,795
Borrowings	2,287,441	2,436,030	2,287,441	2,436,030
	<u>6,206,598</u>	<u>3,894,825</u>	<u>6,206,597</u>	<u>3,894,825</u>

Fair Value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables - estimated to the Carrying Value which approximates Net Market Value.
- Borrowings, Held to Maturity Investments, estimated future Cash Flows discounted by the current market interest rates applicable to Assets and Liabilities with similar risk profiles.
- Financial Assets at Fair Value through Profit and Loss, Available for Sale Financial Assets - based on quoted market prices at the reporting date or independent valuation.

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

32. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial Assets at Fair Value through Profit and Loss

Available-for-Sale Financial Assets

Held-to-Maturity Investments

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

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

Cash and Investments are also subject to Interest Rate Risk - the risk that movements in interest rates could affect returns.

Another risk associated with Cash 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 and Investments.

	2015	2014
	\$	\$
Impact of a 1% ⁽¹⁾ movement in Interest Rates on Cash		
- Equity	109,418	55,000
- Statement of Comprehensive Income	109,418	55,000

Notes:

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

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

32. 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	1%	1%
- Overdue	99%	99%
Percentage of Other Receivables		
- Current	70%	66%
- Overdue	30%	34%

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

32. 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 and 5 years \$	Due after 5 years \$	Total Contractual Cash Flows \$	Carrying Values \$
2015					
Payables	3,919,157	0	0	3,919,157	3,919,157
Borrowings	272,939	1,246,812	1,856,897	3,376,648	2,287,441
	<u>4,192,096</u>	<u>1,246,812</u>	<u>1,856,897</u>	<u>7,295,805</u>	<u>6,206,598</u>
2014					
Payables	1,458,795	0	0	1,458,795	1,458,795
Borrowings	247,267	672,948	2,273,386	3,193,601	2,436,030
	<u>1,706,062</u>	<u>672,948</u>	<u>2,273,386</u>	<u>4,652,396</u>	<u>3,894,825</u>

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

32. 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:

	<u><1 year</u>	<u>>1<2 years</u>	<u>>2<3 years</u>	<u>>3<4 years</u>	<u>>4<5 years</u>	<u>>5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
Year ended 30 June 2015								
Borrowings								
Fixed rate								
Debentures	0	(17,871)	0	0	(149,312)	(2,120,258)	(2,287,441)	5.84%
Weighted Average Effective Interest Rate	0.00%	6.37%	0.00%	0.00%	5.27%	4.55%		
Year ended 30 June 2014								
Borrowings								
Fixed rate								
Debentures	0	0	(34,670)	0	0	(2,401,360)	(2,436,030)	5.84%
Weighted Average Effective Interest Rate	0.00%	0.00%	6.37%	0.00%	0.00%	5.56%		

**SHIRE OF DERBY WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

Note 33: Events Occurring after the Reporting Date

Events that occur between the end of the reporting period (ending 30 June 2015 and the date when the Financial Statements are "Authorised for Issue") have been taken into account in preparing these Statements.

Council has adopted the date of receipt of the Auditors Report as the applicable "Authorised for Issue" date relating to these General Purpose Financial Statements.

Events that occur after the Reporting Period represent one of two types:

- i. Events that provide evidence of conditions that existed at the Reporting Period

These Financial Statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2015.

- ii. Events that provide evidence of conditions that arose after the Reporting Period

The Council is not aware of any material or significant 'non-adjusting events' that should be disclosed.

**SHIRE OF DERBY WEST KIMBERLEY
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30 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	0.619	0.77	0.58
Asset Renewal Funding Ratio	1.058	0.95	0.84

The above Ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{Depreciated Replacement Costs of Assets}}{\text{Current Replacement Cost of Depreciable Assets}}$
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Asset Renewal Funding Ratio	$\frac{\text{NPV of Planning Capital Renewal over 10 years}}{\text{NPV of Required Capital Expenditure over 10 years}}$
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INDEPENDENT AUDITOR'S REPORT

TO THE RATEPAYERS OF THE SHIRE OF DERBY WEST KIMBERLEY

Report on the Financial Report

We have audited the financial report of the Shire of Derby West Kimberley, which comprises the statement of financial position as at 30 June 2015 and the statement of comprehensive income, statement of changes in equity, statement of cash flows and rate setting statement for the year ended on that date, the summary of significant accounting policies and other explanatory notes and the statement by the Chief Executive Officer.

Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our audit has been conducted in accordance with Australian Auditing Standards. Those standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Local Government Act 1995* Part 6, the Regulations under that Act and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Shire of Derby West Kimberley's financial position and of its performance.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's opinion on the Financial Report

In our opinion, the financial report of the Shire of Derby West Kimberley:

- (i) gives a true and fair view of the financial position of the Shire of Derby West Kimberley as at 30 June 2015 and of its financial performance for the year ended on that date;
- (ii) complies with the *Local Government Act 1995* Part 6 and the Regulations under that Act and Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (iii) in relation to the Supplementary Ratio Information presented in the financial report, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and reasonable assumptions.

Report on Statutory Compliance

We did not during the course of our audit become aware of any instances where the Shire of Derby West Kimberley did not comply with the requirements of the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996* as they relate to the financial report.



RSM AUSTRALIA PTY LTD



D WALL
Director

Perth, WA
Dated: 26 November 2015