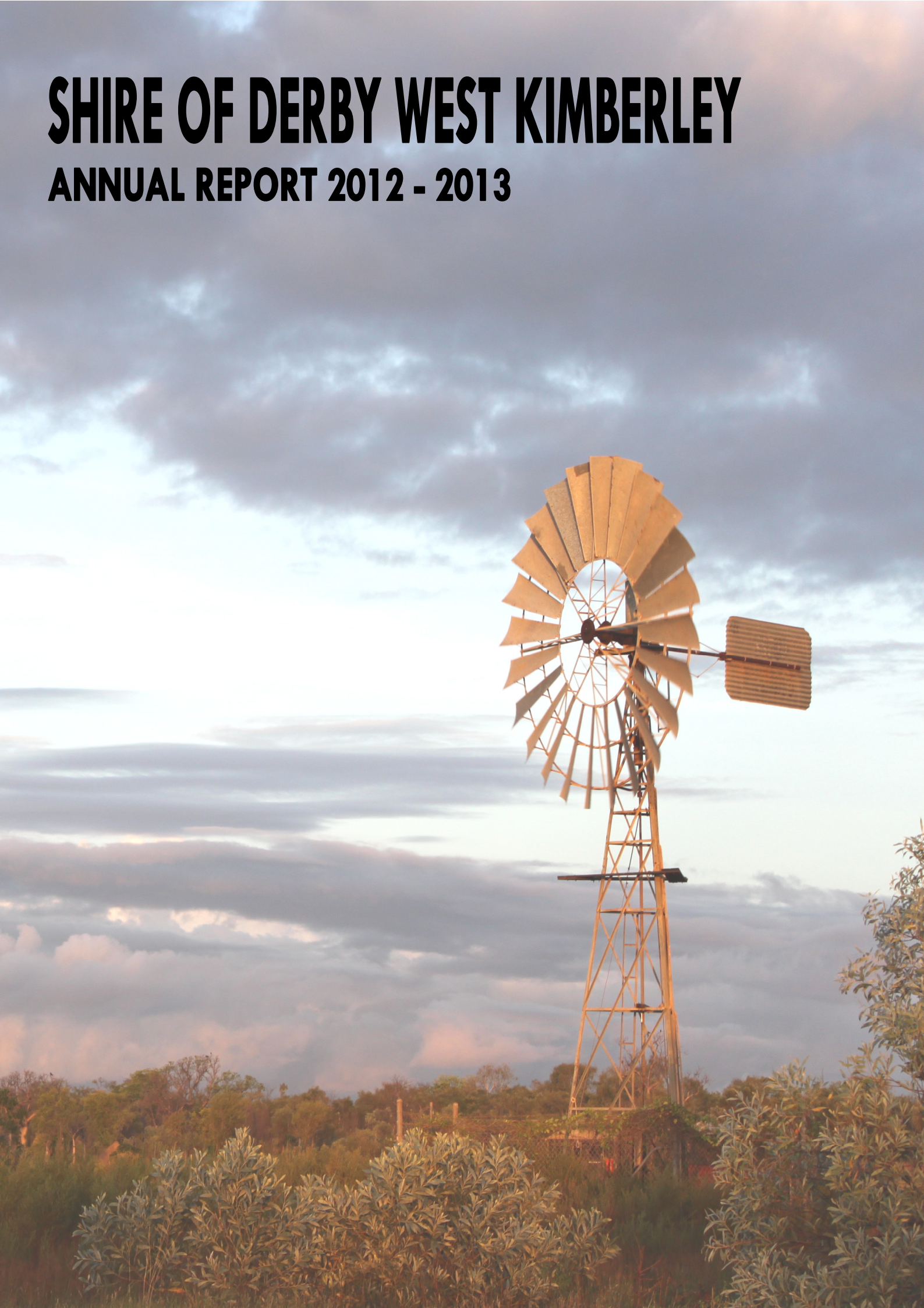


# SHIRE OF DERBY WEST KIMBERLEY

ANNUAL REPORT 2012 - 2013





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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*

## 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 kilometres and is located more than 2,300 kilometres north of Perth. In our Shire there are 54 Aboriginal communities and three towns – Derby, Fitzroy Crossing and 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 areas like the famed Buccaneer Archipelago, the mighty Fitzroy River and the Gibb River Road along with many National Parks and gorges. 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 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 award winning 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 recognised 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 2005/06.

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 issue must be overcome. The Shire of Derby West Kimberley looks forward to an ongoing partnership with Indigenous organisations to improve the wellbeing of our Indigenous communities and residents.

#### Jessica Mauboy performs at the Derby Freshfest



## LOCAL INFORMATION

□ Western Australia Area	2,525,500 km <sup>2</sup>
□ Shire of Derby West Kimberley Area	118,560 km <sup>2</sup>
□ Shire Population (2011 Census)	8,435
Derby (State Suburb)	4,865
Fitzroy Crossing (State Suburb)	1,144
Other	2,426
□ 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	1,814.40 km
□ Number of Electors	3,674
□ Number of Dwellings	1,856
□ Total Rates Levied	\$5,611,855
□ Operating Revenue	\$23,082,194
□ Shire Employees (at 30 June 2013)	97



## OUR COUNCIL

2012 – 2013

 <p><b>Cr Elsie Archer</b> Shire President Term Expires 2013</p>	 <p><b>Cr Paul White</b> Deputy President Term Expires 2013</p>	 <p><b>Cr Peter Kneebone</b> Term Expires 2013</p>
 <p><b>Cr Iris Prowse</b> Term Expires 2013</p>	 <p><b>Cr Peter McCumstie</b> Term expires 2013</p>	 <p><b>Cr Christopher Travers</b> Term expires 2013</p>
 <p><b>Cr Ross Sullivan</b> Term Expires 2015</p>	 <p><b>Cr Andrew Twaddle</b> Term Expires 2015</p>	 <p><b>Cr Brenda (Midge) Brown</b> Term Expires 2015</p>

# 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 function 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, his personal assistant, 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 both Customer Service and basic Library skills.

### Technical and Development Services

The Development Service section is located at Coleman House – 24 Loch Street, Derby. This office accommodates the Executive Manager Technical and Development Services and the Technical Services, Environmental Health, Building, Ranger and Planning staff.

### Community Development

The Community Development Department operates from the Youth Centre in Hardman Street 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 and libraries.

## SHIRE PRESIDENT'S REPORT



2012/13 proved to be even busier than the previous year and all indications are that this will continue.

A new CEO, Gary Clark, commenced in August 2012 but left the Shire in September 2013. We now welcome back Gary Martin who will be Acting CEO until a new CEO is recruited.

It seems as though each year, the main focus of my report is our air service and that has not changed. The good news was that the then provider Skywest was granted a 12 month extension to operate the Derby/Perth direct jet service and although they were taken over in April, 2013 by Virgin, the service remained unchanged.

Keen interest continued in the development of Derby Airport and the Derby Port and a Ports Project Group was established to work with our consultant and report back to Council. This work is continuing.

On a more sombre note, there were a number of occurrences which cost Council dearly including:-

- A fire (suspected arson) at the Shire Works Depot in Derby which destroyed the shed, vehicles and equipment with replacement cost estimated at around \$3M and town maintenance work delayed until alternative arrangements could be made;
- Significant damage estimated at around \$1,000,000 at the Derby Port in the wake of Cyclone Rusty;
- A further large reduction in our Financial Assistance Grant from the Grants Commission.

Despite the hurdles we encountered, our projected works forged on. Taxiway "L" at Curtin Aerodrome was reconstructed and the runway at Fitzroy Crossing Aerodrome was upgraded. Lighting was installed to the Derby Jetty Walkway to the tune of \$345,000 funded by LotteryWest and our general town maintenance schedule continued.

Other developments within the Shire included:-

- \$3.9M Royalties for Regions funding allocated for a new Court House in Fitzroy Crossing expected to be completed mid-2014;
- New Police Station in Fitzroy Crossing formally opened.
- New Derby Regional Prison formally opened.
- Construction commenced on a \$4M new abattoir at Nillibubacca.

On the cultural front, our Shire won the Professional/Digital category in the 2012 Banners in the Terrace competition sponsored by the City of Perth and Mankaja Arts Resource Agency in Fitzroy Crossing celebrated its 21st anniversary.

On the sporting front, Garnduwa Festival at Fitzroy Crossing celebrated its 20th anniversary.

The above is a snapshot of the 2012/13 year and I sincerely thank my fellow Councillors and the administration for the very professional way in which they handled each and every situation which arose.

I am pleased to have served as President over this extremely exciting period and hope to continue to do so into the future

Elsia Archer  
**SHIRE PRESIDENT**



*Storm and Lightning Strike at Derby Airport*

## CHIEF EXECUTIVE OFFICER'S REPORT

The 2012/2013 financial year saw a slowdown in the development of the Shire. Significant local projects such as the West Kimberley Regional Prison which opened in November 2012 resulted in a reduction in major projects. The Curtin Immigration and Detention Centre continued to be a significant economic driver for the local economy with some doubt of its long term existence following the election of a new Federal Government.

The Shire operated with an interim CEO Mr Gary Martin until the end of September 2012 with the new CEO Mr Gary Clark commencing duties on 27 August 2012. Mr Clark left the Shire on 29 August 2013 with Mr Gary Martin returning as interim CEO.

The Council completed a number of forward planning documents during the year. The Shire continues a review of vacant property parcels to identify opportunities for existing parcels of land so facilities and services can be upgraded and maintained. Fitzroy Crossing development remains constrained by land shortages.

A significant problem effecting the management of the Shire is the recruitment and retention of key employees, with a very high turnover of some 40% during the period under review. This issue remains a significant problem moving forward and will continue to be detrimental to the efficient operations of the Shire and the completion of major projects.

The Shire is also being expected to take on far greater responsibility by the State and Federal Governments, usually without any or adequate ongoing operational funding. It is also noteworthy that increased capital grant funding itself creates additional operational demands and future asset management demands.

Last year it was reported that the Shire had entered into an agreement with the other Kimberley Local Governments to form a Regional Collaborative Group in an attempt to work collaboratively on projects and issues that affect us all. This initiative was part of the State Governments Structural Reform process. Although there has been positive progress with regional cooperation, this has added an additional layer of governance that has impacted on the senior management of the Shire.

The Shire has continued to provide good governance and is well situated to progress the many exciting projects and initiatives that will improve the services and facilities for our communities.

### **Financial Management and Strategic Planning**

The Shire has continued with the development of high level plans and this includes the adoption of the new Community Strategic Plan in May 2012. Council also adopted its first Corporate Business Plan, Work Force Plan, Long Term Financial Plan and various Asset Management Plans as required under the new Integrated Planning and Reporting Framework.

These plans will provide the Council with a sound footing for the development of future projects and services.

## Successful Capital Projects

A number of capital projects were successfully delivered during 2012/13.

Highlights include:

- Engagement of an Architect for the design and development of future staff housing;
- Waste Oil Recycling Facility at the Derby Refuse Site
- Design of new Waste Water Ponds in Derby and Fitzroy Crossing ;
- Resurfacing of the Derby Multipurpose Courts;
- Extension of the Dual Use Path network;
- Sealing of the Access Road and Car Park at the Derby Recreation Precinct;
- Major maintenance works at the Derby Wharf;
- Works commenced on the Taxiway and Apron upgrade at Curtin Airport;
- Works commenced on the reconstruction of the Fitzroy Crossing Airport Runway;
- Reseal works at the Derby Airport;
- Numerous road constructions projects throughout the Shire.

## Ongoing Activity

The Council continues to pursue improved services and facilities for the community. The focus on forward strategic planning will help guide the decision-making and financing of the significant projects that are in the pipeline.

The Shire has four significant transport infrastructure assets that have very high, but different issues and priority. All of these items are under constant consideration as the Council endeavours to grapple with the current operational aspects as well as the potential future implications.

- Curtin RAAF Base – the current RPT and Charter Service but only held by a lease and has longer term implications for the Shire;
- Derby Airport – owned freehold by the Shire and has potential development options;
- Fitzroy Crossing Airport – essential service for that area and currently being upgraded;
- Derby Wharf – an essential regional asset for resource, tourist and community purposes but held by a lease and requires maintaining, with the prospect of a Point Torment development at some future time.

Apart from these four major infrastructure items, the Shire has an extensive road network to maintain with a dwindling financial capacity. The adverse factors such as climatic, remoteness, materials, traffic (both heavy and very low) and the implications of the “Wet” all create a significant on-going problem. The potential for the Shire to assume responsibility for maintaining large additional lengths of rural roads or tracks plus remote community streets is a further factor that needs to be taken into account.

The growth and development taking place has implications for a wide range of existing and new services and facilities for the community – both by the Shire and other agencies. The Council is juggling many balls as it endeavours to achieve the wide range of initiatives before it.

A very significant new function that is on the horizon is the potential requirement that local government takes over responsibility for service delivery to remote indigenous communities.

A very significant new function that is on the horizon is the potential requirement that local government takes over responsibility for service delivery to remote indigenous communities. The Council has been involved with this matter for several years and there have been previous deadlines come and go, but it remains a major issue that will require full funding and an adequate lead-in timeframe to recruit the required new staff etc. Unless the proposal is fully funded and properly resourced and implemented there will be major adverse implications for the Shire and affected communities.

The Shire continues to liaise closely with the Department of Immigration as the Curtin Detention Centre remains a significant activity.

### **Appreciation**

I record my thanks to the Shire President and Councillors for their support. Although I was only with the Shire for a short period I am aware of the large number of projects and issues before the Council, many of which start as a concept and can then take years to achieve. Often it is a case of fighting to retain an existing service, or to achieve some small improvement and involving many long hours of consideration and negotiation with government at all levels.

There is no doubt that the Shire achieved much over the past twelve months and this required a close working relationship between the Council and senior officers. Much of this requires forward planning with the community benefits yet to come.

I wish to place on record my appreciation to all the Shire employees for the efforts they regularly make on behalf of the community in a very wide range of functions from airports and wharf, parks and gardens, roads, recreation, community, administration and the host of other tasks involved in running such a large, remote Shire. I also wish to record my appreciation for the wide range of support received from other agencies and local community groups and volunteers that do so much behind the scenes to assist in making the Shire an attractive place to live.

A detailed summary of the main functions and activities of the various departments are included in this Annual Report.

Gary Martin  
**CHIEF EXECUTIVE OFFICER (ACTING)**

# TECHNICAL AND DEVELOPMENT SERVICES

## TECHNICAL SERVICES

The Technical Services Department 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 from various Federal and State Government agencies and from other Shire income streams.

### Revenue

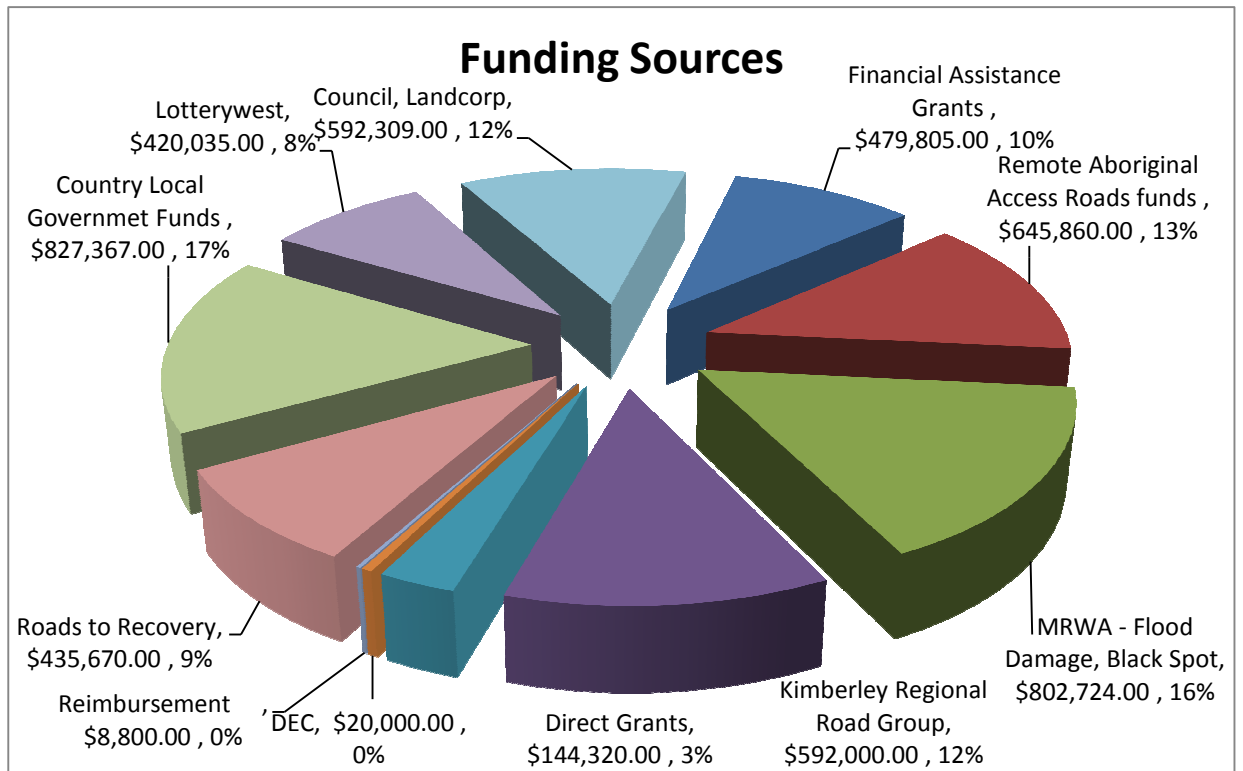
External funding is the major income stream for capital works and major maintenance of Councils assets and in the 2012/13 financial year Australian or Western Australian Government provided funding to the Shire of Derby West Kimberley totalling approximately 5 million dollars. There was a large carry forward of approximately 4.9 million dollars' worth of work from the 2011-12 financial year which is not shown on the funding income for the financial year of 2012/13.

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),
- Country Local Government Funding (CLGF) WA Government,
- Department of Infrastructure, Transport, Regional Development and Local Government (Australian Government) Roads to Recovery funding program,
- 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 the Environment and Conservation Access Road Funds,
- Main Roads Western Australia – Western Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA) claim (Flood Damage),
- Landcorp and Lotterywest.



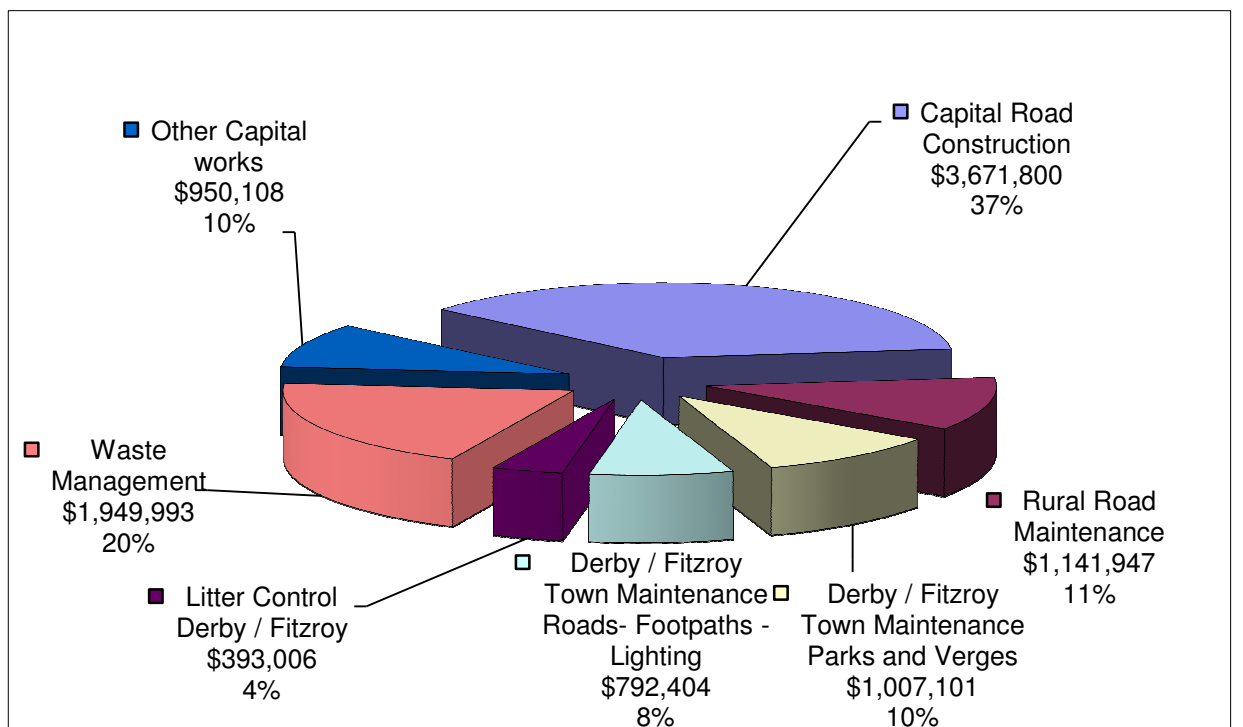
2012/13 Capital Grant Funding Income - \$5 million



**Expenditure**

Expenditure on the Shire's major capital assets and maintenance operations undertaken in the 2012/2013 financial year totalled approximately 7 million dollars.

2012/13 Technical Services Expenditure - \$7 million



## Technical Services Functions

Major capital construction projects undertaken in the 2012/13 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 was:

- Noonkanbah Road
  - Expenditure \$252,000
  - Funding Assistance from :Remote Aboriginal Access Roads Funding
  
- Various Roads – Flood Damage Repair
  - Expenditure \$839,893
  - Funding Assistance from: Main Roads – WANDRAA Funding
  
- Forrest Road
  - Expenditure \$540,000
  - Funding Assistance from: CLGF and Regional Road Group
  
- Intersection of Fitzroy and Steel Streets
  - Expenditure \$423,000
  - Funding Assistance from: FAG’s Grants, CLGF and Roads to Recovery
  
- Sportsman’s Club Carpark and Access Road
  - Expenditure \$611,000
  - Funding Assistance from: CLGF, Council, Direct and FAG’s Grants
  
- Camballin Road
  - Expenditure \$294,999
  - Funding Assistance from: Roads to Recovery and Remote Aboriginal Access Roads Funding
  
- Watt Street
  - Expenditure \$179,000
  - Funding Assistance from: Roads to Recovery, Direct, Council and FAG’s Grants

### Maintenance Works

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

- Rural Road Maintenance Grading,
  - Contractors have undertaken three maintenance grades per year on Shire roads being an opening up grade, midterm grade and a closing up grade.
  - Expenditure for remote rural road maintenance of Shire of Derby West Kimberley roads was \$1,141,947.
  - Total kilometres of remote unsealed roads required to be maintenance graded is 1,725.16 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 \$1,007,101 for the 2012/2013 period.
- Derby and Fitzroy Crossing Town Street Maintenance (inclusive of all street and town road maintenance, footpath maintenance, drainage maintenance) with expenditure of \$792,404 for the 2012/2013 period.
- Within this period there was also \$223,110 spent on construction of new footpaths, this achieved an overall length of construction of 1,053m.

### Summary

The Department has gone a long way to achieving most of its goals within the 2012/13 year and will certainly complete the majority of its works in the earlier part of the 2013/14 financial year. The projects that should be finished in the early part of the 2013/14 year include Mt North Creek culverts, Fitzroy Crossing Waste Management Site fencing, Lighting and associated works on the Jetty walkway, Culvert and Grid cleaning programmes. Dealing with the remediation of the flood damage from previous years which started in 2011-12 was completed within 2012-13. Within the early part of 2013 the western portion of the Shire was affected by Tropical Cyclone Rusty which caused significant damage to the wharf (approx. \$1,000,000) including the rock armouring and the car park and associated roads, along with significant damage to the Shires road network estimated at \$1.9 million. These works have been scoped with the work likely to occur in the 2013/14 financial year.

Waste Management has been an area of concern within the Department with the volume throughput slowing throughout the 2012/13 year due to construction works slowing. The site in Fitzroy Crossing has finally gained native title clearance with the fencing and manning of the site likely to occur early in the 2013/14 year. In the very near future however Derby and Fitzroy Crossing will require new sites which will have to be acquired and become operational within five to seven years.

The Department is also working on a number of strategies which include a new Road Maintenance Strategy, the possibility of including some roads in the State Infrastructure Program to gain greater funding and a critical look at the operations of the various outdoor crews. The department is undertaking a lot of work in trying to gain information about its road network by taking road counts and condition assessments of the roads. This does take time but will benefit the Shire in its decision making process along with providing information on the future Fair Value reports required for the road network as part of the integrated planning process.

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 2014/15 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 2012/13 year.

## DEVELOPMENT SERVICES

The Shire of Derby West Kimberley experienced a stable period of growth during the financial year of 2012/13 with accommodation/dwellings being the most popular type of application submitted for approval to the Shire's Building Department. As shown below the value of building projects has nearly doubled over the last financial year.

The following table provides an overview of the planning/building work undertaken for the year –

Functions	2011/2012	2012/2013
Development Applications	60	60
Scheme Amendments	2	2
Building License Approvals	138	174
Building Value	\$52,122,058	\$97,112,187
Aboriginal Communities (Building Value)	\$9,052,487	\$35,365,701

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

Location	Dwellings	Other Structures	Swimming Pools	Total
Derby	130	103	7	<b>240</b>
Fitzroy Crossing	23	1	0	<b>24</b>
Aboriginal Communities	68	1	0	<b>69</b>
Stations	0	1	0	<b>1</b>
Mines	0	0	0	<b>0</b>
Camballin	0	1	0	<b>1</b>
Other	0	0	0	<b>0</b>
<b>Total</b>	<b>221</b>	<b>107</b>	<b>7</b>	<b>335</b>

The above figures show that the number of building applications has increased dramatically over the past year (138 in 2011/12 and 174 in 2012/13) with the value of building increasing from \$52,122,058 in 2011/12 to \$97,112,187 in 2012/13 over the last financial year.

Planning Scheme No.5 came into operation during September 2001 and provides the basis for development control in the Shire. Development Applications are processed in accordance with established statutory planning procedures and processes.

## 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 and Gooniyandi Native Title Claims. The resolution of the Bunuba No.1 claim and the Gooniyandi Native Title claims are the latest claims to be determined within the Shire within this reporting period which included sittings of the Federal Court on country.

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 towards the resolution of the Bunuba No.2 claim which captures the Fitzroy Crossing town site are currently underway, with a Statement of Intent being signed between the Government of Western Australia and the Bunuba Dawangarri Aboriginal Corporation representing the Bunuba native title holders. 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.

### **Fitzroy Crossing Strategic Plan**

The Fitzroy Futures Town Plan has been prepared to focus on providing for the needs of the Fitzroy community into the future, recognising the significant physical constraints for development in Fitzroy Crossing and the tenure and ownership of the land in and around the town. It has been developed based on principles to: support lifestyle, cultural and social needs of the community; focus future growth on land not subject to flood impacts; promote environmental protection and sustainable settlements; provide opportunities for economic growth within the community; and acknowledge infrastructure limitations and deficiencies.

The Plan offers the Fitzroy Crossing community a strategic land use framework and context for a number of more detailed initiatives. These include:

- Land tenure changes, particularly to transfer land to Bunuba management and to effect some land tenure rationalisations for access and infrastructure;
- Progressing land release for residential, commercial and industrial uses;
- Managing growth in the context of flood risk;
- Ensuring protection of priority water source protection areas;
- Integration of the township with town-based Aboriginal communities; and
- Implementation of Community Layout Plans.

The draft plan was endorsed by Council in November 2005 and received final endorsement from the Western Australian Planning Commission in May 2009. The Plan continues to provide the strategic basis for development within Fitzroy Crossing.

The Fitzroy Futures Working Group has been reinvigorated to assist in the implementation of some of the initiatives set out within the draft Town Plan and identifies social development opportunities beyond the infrastructure initiatives.

The issue of land supply continues to be major issue for Fitzroy Crossing and the resolution of that issue is being addressed through the current Native Title negotiations.

### **Derby**

The reporting period has been a period of consolidation following the commencement of operation of the Regional Prison with new residential housing being rolled out within the new residential subdivisions. The majority of new residential land within the Ashley Grove and Golf Links Estates has now been taken up. Future residential land supply will be provided through the subsequent stages of the Boab Estate which has all approvals in place and also from the approved Landcorp subdivision on Ashley Street which can be brought on as and when required. Cumulatively, these two subdivisions provide a total of 283 lots with a range of densities that if developed to their maximum potential could realise up to 400 dwellings. This should ensure that the town is able to respond adequately to both short term and longer term housing demands.

Planning for the release of new Light Industrial Land by Landcorp has been undertaken. The proposed land release will see a total of 24 new light industrial lots developed in the Russ Street area that will range in size from approximately 2,000m<sup>2</sup> to 1.2ha. The Council has endorsed Amendment No.19 to facilitate the rezoning of the land and this currently sits with the West Australian Planning Commission awaiting final approval from the Minister for Planning. Finalisation of that matter is expected toward the latter half of 2013.

Strategic Planning for the period included the endorsement of the Council's Draft Local Planning Strategy by the Western Australian Planning Commission. The Local Planning Strategy is the framework for local planning and the strategic basis for local planning schemes. It provides the interface between regional and local planning and is increasingly being seen by other agencies as the means by which to address economic, resource management, environmental and social issues at a strategic level.

The strategy sets out the Council's objectives for future planning and development and includes a broad framework by which to pursue those objectives. The strategy addresses the social, environmental, resource management and economic factors that affect and are in turn affected by, land use and development.

The local planning strategy is:

- Consistent with state and regional planning policy, including current strategies, structure plans and strategic development initiatives (or provide the rationale for why it is not);
- Provides strategic direction for land use planning and development over the ensuing 10 years or longer as the basis for the local planning scheme;
- Sets out the strategic direction for sustainable resource management and development in the context of state and regional planning;
- Provides the rationale for the zoning and reservation of land and for the provisions of the scheme relating to development and development control;
- Provides a strategic framework for assessment and decision-making in relation to proposed scheme amendments, subdivision, and development;
- Provides the context for coordinated planning and programming of physical and social infrastructure at the local level;
- Identifies the need for further studies or investigation within the local government area to address longer-term strategic planning and development issues.

A major new development within this period was the approval of the Derby Indigenous Short Stay Accommodation Project that is to be constructed by the Department of Housing, located on the property on the corner of Alfonsas and Ashley Streets. The facility is to provide affordable and appropriate short stay accommodation for indigenous people visiting Derby. The facility will provide accommodation for 50 people, accommodated in a variety of unit types to cater for families and singles. The facility will provide communal kitchen and dining room and an on-site caretaker's residence.

The issue of indigenous visitor accommodation has been the subject of discussion for many years and the demand was quantified by a number of reports and investigations into the issue. The outcome of those reports provided the impetus and confidence for the Department of Housing to proceed with the project. Construction is anticipated to commence in the second half of 2013.

Other notable approvals in the period included approval for the development of 35 new self-contained short stay accommodation units at the Derby Lodge on Clarendon Street which will increase the range and quality of short stay accommodation options in the town. Construction is anticipated to be completed early in the second half of 2013.

## **BUILDING SERVICES**

The new *Building Act 2011* (the Act) and the *Building Regulations 2012* were implemented on 1 April 2012 which meant significant changes to the building approvals process and brought many challenges with the interpretation and implementation of the Act, from the design stage right through to occupation of a building. The *Building Act 2011* and the *Building Regulations 2012* replaced the *Building Regulations 1989* and much of the *Local Government (Miscellaneous Provisions) Act 1960* and amended a range of associated Acts.

The demand for building services increased significantly during the past year, in terms of the number of licenses processed being well above the previous year however nearing the end of the reporting period the number of applications dropped dramatically. Some of the bigger projects that came in through the period were various high density accommodation projects and some industrial projects.

Under the new Act Government buildings are required to go through the Local Government building process unless Building Management and Works are responsible for the building work. At this time all housing applications are being submitted to the Shire however Schools and other Government projects are being processed through Building Management and Works.

The Department had quite a small building programme for the year with some of the projects being renovations to various staff houses, lighting in the Fitzroy Crossing Visitor Centre car park, and some small renovations to the Development Services Building.



## ENVIRONMENTAL HEALTH

Over the 2012/2013 financial year the Environmental Health Department has continued its role in education and enforcement in various areas of the health discipline.

Vector control was a major focus over this reporting period. The program particularly continued to increase the use of chemicals that target the mosquito larvae resulting in a decrease of adult mosquito's present in the environment. Various breeding sites surrounding Derby were identified and treated. Throughout Fitzroy Crossing a combination of larval and adult treatments were used to decrease the mosquito populations. Educating the public about preventing the breeding of mosquitoes in their own backyard and taking appropriate measures to protect themselves from the threat of mosquito borne diseases was a particular focus during the 2012/2013 mosquito season. A number of presentations were carried out at local schools to educate Derby's youth about the risks relating to mosquitoes. Various media outlets were utilised including letter box drops, local radio notices, newspaper articles and public noticeboards to increase public awareness and understanding of the issues surrounding mosquitoes.

Inspections are carried out on a regular basis of all food premises, public buildings and accommodation premises within the town sites of Derby, Fitzroy Crossing and Camballin to assess compliance with relevant legislation. Caravan parks and camping grounds are also inspected throughout the town sites along with those nature based parks located along the Gibb River Road.

An application was made to the Department of Health Tobacco Control Branch to secure funding to erect a series of no smoking signs at certain locations within the town sites of Derby and Fitzroy Crossing. This application was successful and the Shire was awarded a total of \$5,000 to carry out the project. Erection of the signage is set to commence in October 2013 with the overall aim to create a healthier, smoke free environment for the general public.

Waste Management has again been an area of significance during the period of this report. The volumes of waste being received at both Derby and Fitzroy Crossing Waste Management Facilities have started to ease after the building booms in both towns.

A three year process came to an end when the Shire was granted access to a parcel of land to extend the Fitzroy Crossing Waste Management Facility to the east of the existing site. Work began on fencing the perimeter of both the old and new site and the site will be a manned site once this construction work has finished. The site will be open to the public Monday to Friday 8am – 4pm, Saturday and Sunday from 9am – 4pm. The manning of the site will ensure a significant improvement of the management site as the public will be supervised whilst on the site.

In November of the 2012/2013 year the Derby Household drop off Recycling Program commenced due to Council support. The program has so far been highly successful with higher volumes of recyclables being dropped off than anticipated. The program relies on householders to collect their recyclable items (in a poly bag supplied by the Shire) and transport their own recyclables to the Derby Waste Management Facility. The materials are then stockpiled and then transported to Broome for sorting and transport to other recycling facilities around the State.

In the first year of the drop off recycling program the following volumes were diverted from landfill -

Code 1 plastics	Code 2 plastics	Aluminium Cans	Steel Cans	Cardboard /paper	Glass	TOTAL
249kg	161kg	571kg	176kg	3,684kg	735kg	5,576kg

Further to the household recycling program the Environmental Health Department continues to liaise with Tox Free to pursue all potential recycling initiatives. This year a total of 900 tonnes of steel was collected by scrap metal recycling companies. A total of 300 tonnes of green waste was mulched on site and 51 pallets of batteries were sent to processing centres.

In the last reporting period a need was established for the Shire to construct some Waste Water Ponds for the treatment of waste water from Septic Tank pump outs and grease trap waste. This year the environmental investigations and design phase has continued and is nearing completion.

Over the period for this report the number of building applications for approval increased which in turn increased the workload on the Environmental Health Department which vets all applications involving any plumbing works.

## 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/Building Surveyor, two (2) Environmental Health Field Support Officers and a Trainee Aboriginal Environmental Health Field Support Officer. 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 the environmental health and building services of the 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 program and project managers, community school principals and staff, builders, contractors, health organisations, Aboriginal service agencies and service providers. Partnerships with Nindilingarri Cultural Health, Kimberley Population Health, Karrayili Training Centre, Royal Flying Doctors Service, Kimberley Regional Service Providers, Kimberley Aged Care, Winunari, Emama Nguda, Marra Worra Worra, Winun Ngari and Kimberley TAFE have continued to strengthen and increase our ability in carrying out projects, training and improving the overall Environmental Health in these 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.

The AEHU team undertake a wide range of responsibilities on Aboriginal Communities including (but not limited to); Community education and health promotion, building control, wastewater regulation and assessment, disease surveillance, water monitoring, food premises inspections, pest control, dust minimisation projects, housing and infrastructure

lobbying/reporting, advocating on behalf of Communities for funding, participation in the Environmental Health Worker Certificate training and mentoring programs, attendance at a number of interagency and regional meetings. The team also assist the Shire's Environmental Health Department with mosquito control including the Sentinel Chicken Program.

In the 2012/2013 wet season the unit began implementing minor mosquito control programs in Aboriginal Communities, predominantly through slashing programs and larvacide treatment. With the help of environmental health workers based in the communities, community volunteers and housing officers these programmes begun to create a noticeable decrease in the prevalence of mosquitoes at the targeted communities. It is anticipated that the programs will continue to expand further into other communities.

Implementation of the 'No Germs on Me' hand washing campaign has been highly successful in the Shire. 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 diversified the Shire's education program. Since receiving the 'No Germs on Me' package, the unit have added interactive tools to the kit, some of which include a reinvention of the existing Germinator costume (a germ fighting super hero) and temporary tattoos. The temporary tattoos were created to use as prizes for the AEHU's current Health promotion activities. The topics covered in these talks include mosquito control, 'no germs on me', dog health, and healthy eating.

The unit also has a number of concepts currently being finalised for future projects and greater innovative learning. These include a 'No Germs on Me' jumping castle and water slide, creating of the 'Scrubbing Shuffle' and 'Wash the Germ Away' songs and educational puppets. The jumping castle and water slide will be used to implement healthy community days within a number of the communities. For the children of a community to be allowed on the jumping castle and water slide they will first have to participate in a health communities activity, this may be a clean-up, washing their dog in the hydro bath, and attend a health promotion talk.

The song 'Scrubbing Shuffle', was written by the AEHU Team and is awaiting professional recording and the creation of a film clip, and will be aimed at older teenage age children. The 'Wash the Germ's Away' song has been created and recorded and is proving successful with the younger children within the communities.

The unit now utilises five interactive hand puppets to help educate children in Aboriginal Communities about health and hygiene, trachoma, rubbish management, dog health and healthy eating. The puppet characters are as follows –

- Senior Quito the Mosquito
- Frankie the Fly
- Aussie and Buzz the Bush Turkeys (Australian Bustard)
- Dog the Dog

The AEHU is also responsible for The Dog Health Program. In the 2012/2013 financial year the Shire was awarded a grant from FaHCSIA to carry out a dog de-sexing program in certain Aboriginal Communities within the Fitzroy Valley. In this reporting period the consultation phase of the project began and was conducted by the AEHU Team and with the assistance of Nindilingarri Cultural Health. The continuation of the program will consist of dog de-sexing days, creating dog registration and creating dog management plans for each community. The combination of these functions will ensure a continual reduction in dog numbers with the aim to reduce the number of dogs per person to an average of two.

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.

### RANGER SERVICES

Ranger services experienced a challenging year with increased staff movements causing a lack of staff in the department for extended periods of time. The following staff movements occurred, Gordon Pickering resigned in November 2012, John Hanson commenced in January 2013 and left in March 2013 with Chelsea Thomas commencing in May 2013. Chelsea's background as a Veterinary assistant, a former employee of the Aboriginal Environmental Health Team and being a local, is proving to be invaluable to the team.

Ranger services continue to observe an improvement and willingness towards compliance, with better attitude and behaviour being displayed by many people of the community. This has been achieved by numerous interactions with the public promoting a strong focus on education and awareness largely by the way of consultation. Ranger services have established good working relations with the residents of the Shire which we believe creates the best opportunity to achieve willing and ongoing compliance.

### Dog Control

Dog impound record 1 July 2012 to 30 June 2013							
Location	Impounded	Male	Female	Return to Owner	Re-Homed	Re-Located	Destroyed
Derby	178	96	82	59	16	10	93
Fitzroy Crossing	28	15	13	1	0	0	22
Total	206	111	95	60	16	10	115

### Animal Control

Rangers have responded to numerous inquiries on injured wallabies, cattle, birds, wildlife, animal welfare requiring assistance and information. Rangers have assisted the public with many other issues such as straying stock/ horses, snake and reptile collection, removal of roosters in the town sites and working with the Department of Environment and Conservation on crocodile management and trapping.

### **Local Laws**

Ranger Services experienced another busy season with itinerate campers around the marsh and scrub areas surrounding the town sites and communities. Rangers at times organised joint operations with police to assist with stubborn situations. It is anticipated that the short term hostel that is currently under construction will provide some relief with this problem. Rangers regularly patrol and consult with the public to gain compliance with verge collection management, illegal dumping, abandoned vehicles, illegal camping, drinking on Shire reserves, misuse of the verge and disabled parking bays. Ranger services have seen constant improvement and cooperation in all these areas.

### **Fires and Control Measures**

The region experienced higher than usual rainfall in May and June this year which meant an increased fuel load for many areas. Rangers ensured that fire breaks and hazard reduction measures were put in place in a timely manner and requested a number of property owners to repeat their hazard reduction procedures after the late rains. Overall willing compliance and standards in this area was high.

Rangers have implemented and upgraded fire breaks at the Savannah blocks through to Hamlet Grove and areas throughout Derby, Fitzroy and Camballin town sites. Rangers were involved with the many fire related issues that occurred throughout the Kimberley region in the 2012/2013 year and issued approximately 185 Permits to burn. Rangers also implemented hazard control burns within and around the town sites and engaged the Jarlmadangah Ranger Group through Kimberley Land Council as part of their training to implement hazard reduction burning on 3 large blocks in Derby. This was a successful project for both organisations and we look forward to future joint projects.

### **Volunteer Emergency Services Hamlet Grove Bush Fire Brigade and Derby SES**

Hamlet Grove Bush Fire Brigade and Rangers and have attended many purposely lit fires within the local town site, surrounding areas and the local Community's also assisting or supporting the Derby Volunteer Fire and Rescue Unit with fires and rescue. Training was provided to new and existing members and is ongoing.

The Ranger unit is constantly striving to evolve and has implemented many initiatives to improve on efficiency, education and compliance for the Community.

Rangers have created new signage, distributed leaflets regularly regarding verge pickups, assisted in cyclone preparation, household bin management and attended public events when possible.

### **Summary**

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 2012/13 year.

Wayne Neate

**EXECUTIVE MANAGER TECHNICAL AND DEVELOPMENT SERVICES**

## PORT SERVICES

The Ports Services section within the Shire of Derby West Kimberley controls and operates the following facilities:

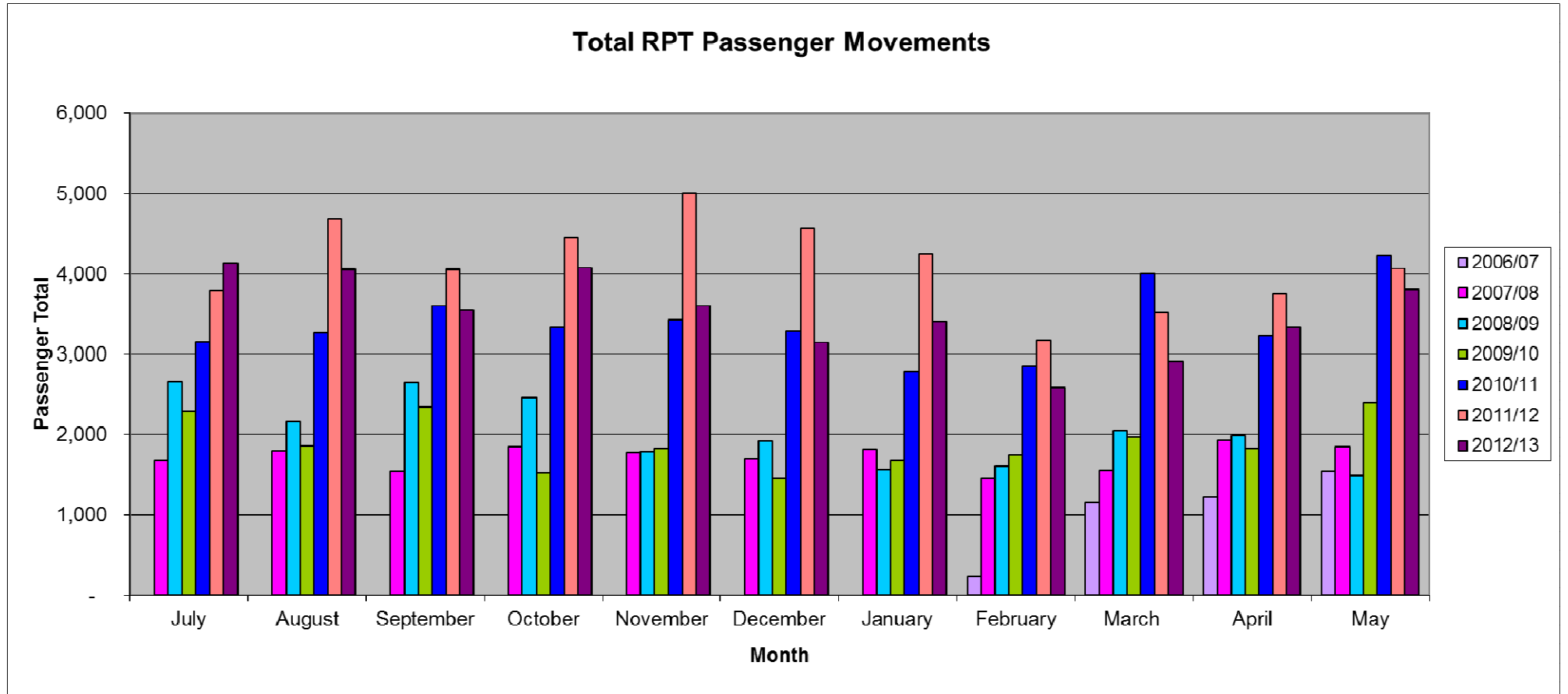
- Civil Leased Area at RAAF Curtin Aerodrome - Jet aircraft services operate to/from Perth and in conjunction with mining charters and major jet aircraft charters associated with the Department of Immigration and Citizenship requirements;
- Derby Airport – General aviation requirements inclusive of charter 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;
- Derby Wharf Facility;
- Fitzroy Crossing Aerodrome – General aviation, RFDS servicing, RPT air services for Broome, Derby, Fitzroy Crossing, Halls Creek and return.

### CIVIL LEASED AREA AT RAAF CURTIN AERODROME

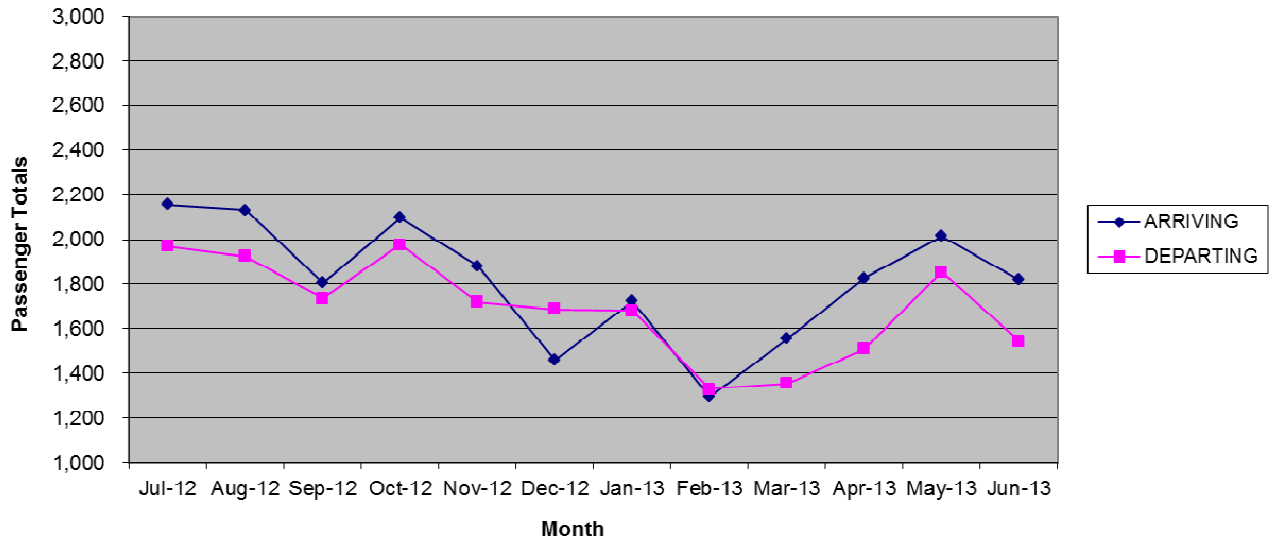
Activities at Curtin Civil Aerodrome over the past year:

- The Shire was successful in obtaining \$1,400,000 of funding from the Department of Transport, Regional Airports Development Program for design and construction work on the Taxiway at Curtin Aerodrome.
- The number of civilian charters continued to increase throughout 2012/2013 predominately in support of the movement of passengers for the Department of Immigration and Citizenship. These charters are undertaking the transfer of the Departments clients into their Curtin facility or transferring the clients who have obtained their required bridging visa to other cities within Australia.
- The number of smaller commuter aircraft involved in servicing the mining companies by transferring persons between the mine sites and the Curtin Aerodrome has increased with the resulting increase in delivery of aircraft refuelling requirements.
- The Shire of Derby West Kimberley as operators of the Civil Leased areas at Curtin undertook all operations at the aerodrome in addition to the previously undertaken security screening and aircraft refuelling. Undertakings included all check in requirements, aircraft marshalling and all baggage handling requirements.

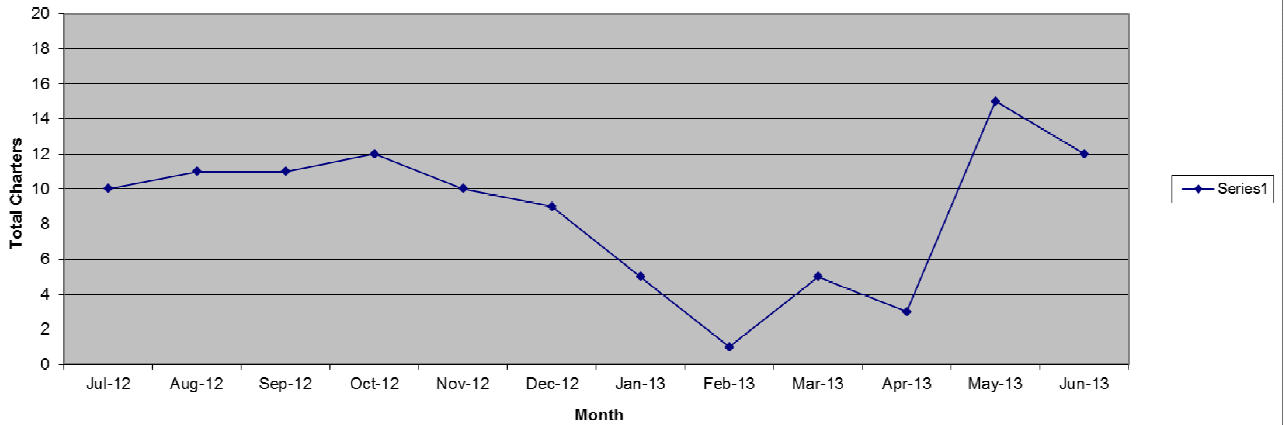
Passenger Comparison by Month 2006/07 to 2012/13



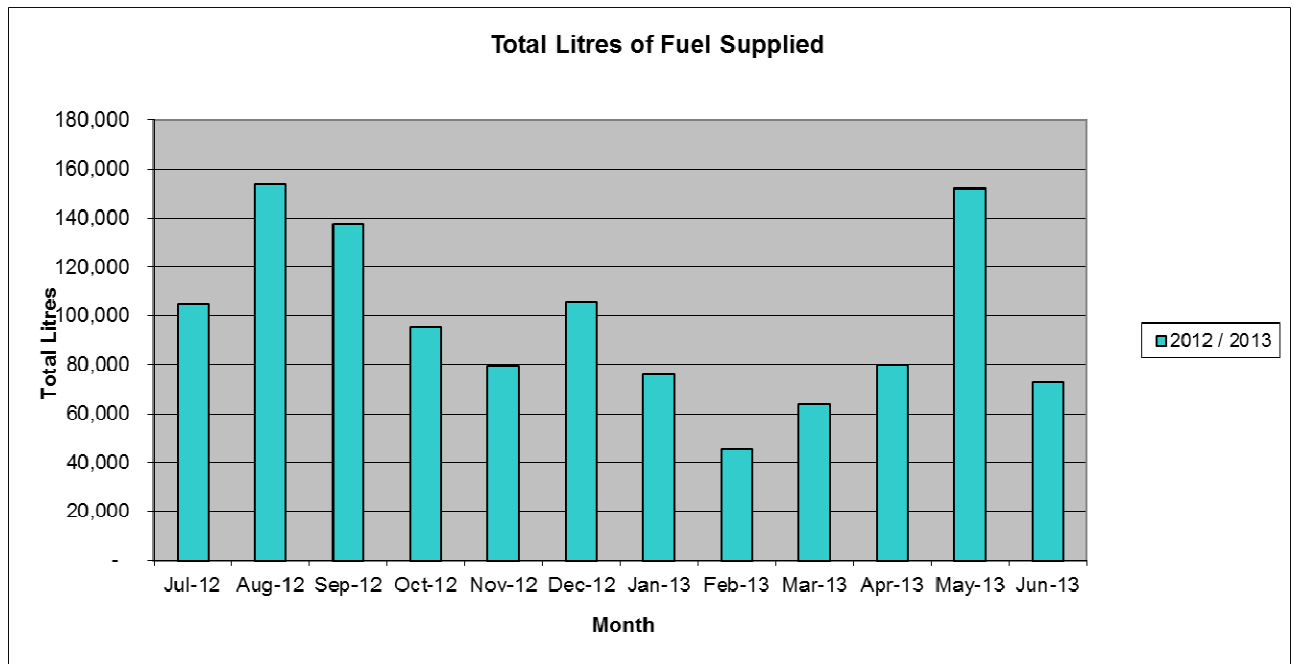
### RPT Passenger Movements 2012 / 2013



### Curtin Detention Centre - Civilian Charters







## DERBY AIRPORT

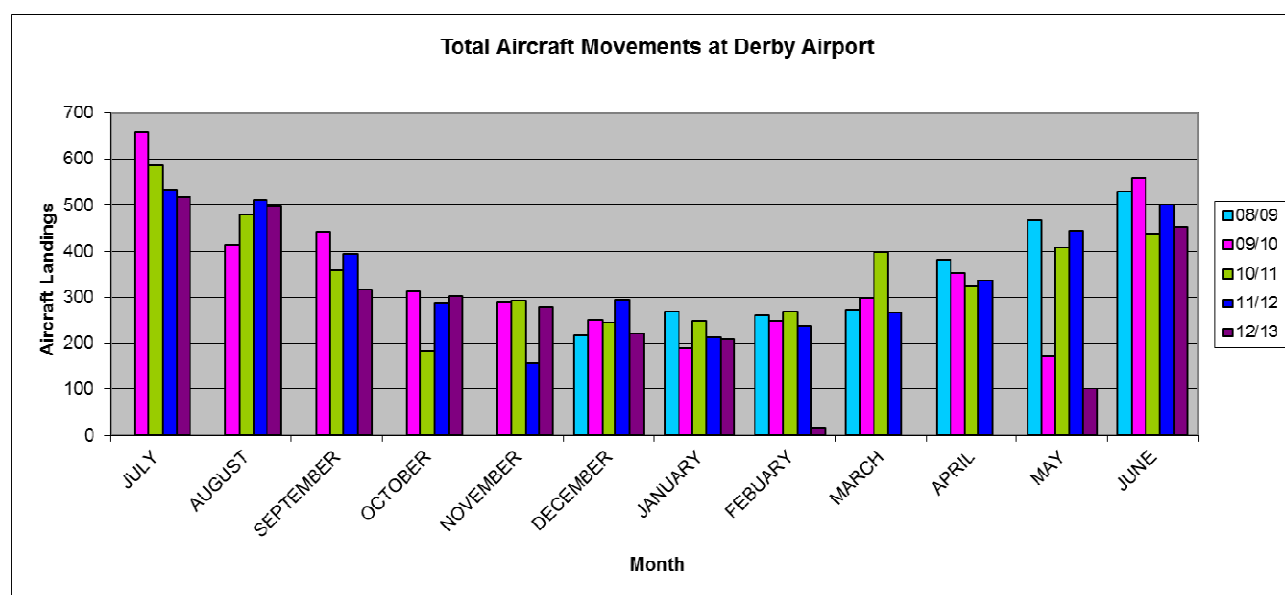
### Monthly Aircraft Movement Statistics 2012-2013

Month	Aircraft below 1,500kg	Aircraft 1,500 – 3,000kg	Aircraft +3,000kg	RFDS*
July 2012	86	123	220	498
August 2012	81	124	186	474
September 2012	53	44	133	298
October 2012	61	56	94	286
November 2012	40	50	94	253
December 2012	22	41	74	212
January 2013	23	21	88	201
* February 2013	4	2	3	15
* March 2013	-	-	-	-
* April 2013	-	-	-	-
* May 2013	35	21	30	96
June 2013	105	83	184	423
<b>TOTAL</b>	<b>510</b>	<b>565</b>	<b>1106</b>	<b>575</b>

\* Data recording problems were experienced at Derby Airport from February to May 2013.

\*The Royal Flying Doctor Service (RFDS) are not charged landing fees. This single component of airport servicing represents an in-kind support to the RFDS of approximately \$43,000.00 per annum.

## Comparison for Aircraft Movements 2008/09 and 2012/13



## FITZROY CROSSING AIRPORT

The condition of the runway at the Fitzroy Crossing airport has been the subject of CASA and pilot requests for the surface to be reconstructed due to the flat nature of the strip and some subsidence causing water to pond in the wet season. An engineering investigation survey and geotechnical report were undertaken during 2011/2012 in preparation for funding requests to Australian and WA Government authorities.

Successful funding applications were made to Regional Airport Development Scheme (WA Government) for \$1,800,000 being 50% of the estimated project costs and to the Regional Aviation Access Program (Australian Government) for \$1,800,000 being the remaining 50% of the estimated project cost. These works commenced during the 2012/2013 financial year and will be completed early in the 2013/2014 financial year.

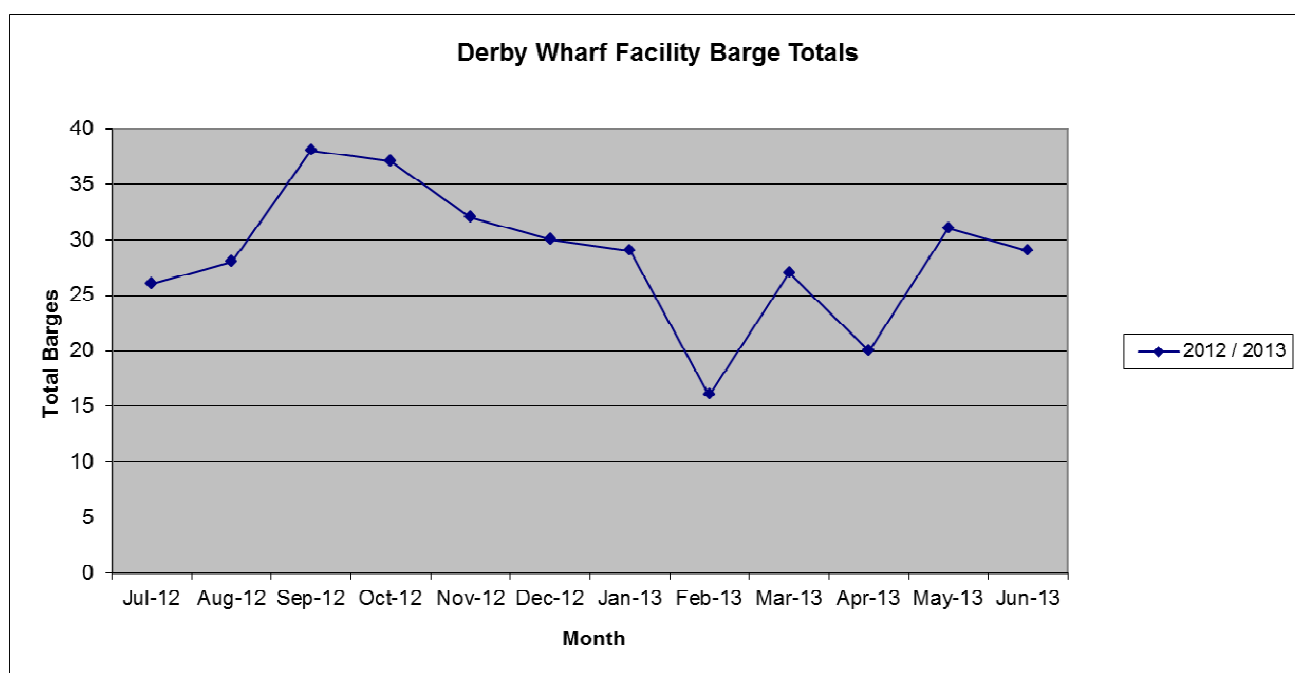
MONTH	Aircraft Below 1,500kg	Aircraft 1,500 - 3,000kg	Aircraft + 3,000kg	TOTAL
July 2012	20	88	75	183
August 2012	19	104	79	202
September 2012	17	83	63	163
October 2012	12	85	75	172
November 2012	16	82	80	178
December 2012	36	69	63	168
January 2013	12	62	63	137
February 2013	-	-	-	0
March 2013	-	-	-	0
April 2013	6	16	15	37
May 2013	2	29	16	47
June 2013	-	-	-	0

Data recording problems were experienced at Fitzroy Crossing Airport from February to June 2013.

## DERBY WHARF FACILITY

The main activity at the Derby Wharf Facility is barges associated with offshore mining ventures. This usually occurs during the high tides of early morning to mid-afternoon due to calmer sea conditions and sailing requirements.

Date	Total Berthing Barges	General Freight Loaded (Tonnes)	Fuel (Litres)	Potable Water (Litres)
July 2012	26	2,312.44	2,310,000	125,000
August 2012	28	2,693.47	2,490,000	69,000
September 2012	38	3,734.32	2,380,000	79,000
October 2012	37	3,679.01	1,980,000	94,000
November 2012	32	2,820.16	2,160,000	127,000
December 2012	30	2,353.61	1,863,000	141,500
January 2013	29	1,658.60	1,720,000	100,000
February 2013	16	826.07	1,450,000	105,000
March 2013	27	1,148.90	1,210,000	114,000
April 2013	20	2,053.14	1,170,000	84,000
May 2013	31	1,506.88	1,940,000	97,000
June 2013	29	1,474.50	2,120,000	64,000
<b>TOTAL 2012/2013</b>	<b>343</b>	<b>26,261.1</b>	<b>22,793,000</b>	<b>1,199,500</b>
TOTAL 2011/2012		21,576.1	29,832,000	1,006,800
TOTAL 2010/2011		24,999.9	21,746,616	1,093,000



## MANAGER PORT SERVICES

## COMMUNITY DEVELOPMENT

The Shire of Derby West Kimberley 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.

It has been a year of huge events and activities. All the staff have been working flat out to deliver some fantastic events to the community both in Derby and Fitzroy Crossing.

The Community Development Team have delivered a number of events in the past twelve months. No doubt the biggest highlight of the year was hosting the Freshfest Jessica Maulboy Community Concert which was attended by 2,000 people. This year saw the separation of Photography from the Kimberley Art Prize to have its own award, the Kimberley Photographic Award. Fitzroy Crossing hosted a Vibe 3 on 3 Festival which was a huge success with many schools in the region taking part.

The Ride visited Derby and Fitzroy Crossing in June to promote road safety and the principles of "Count Me In" a disability message in conjunction with the Disability Support Commission (DSC). This documentary charts their 5,000km adventure across the outback, as they visit the crash sites where their lives changed forever. Three men are paraplegics and one a quadriplegic, making this no ordinary road movie. Their encounters with mud, deserts, floods and exhaustion test their resilience and endurance to breaking point. The Ride was a wild traverse across the terrain of the human spirit, as four men make peace with the tragedy of their past. The Shire provided in kind support for this event to enable it to be shown within the Shire and both screenings were followed by a Q&A session with some curly questions asked. The general feedback from the audiences of 130 people in Derby and Fitzroy was that it is an inspirational documentary that appealed to all aspects of the community.

Kimberley Art Prize 2013 was a resounding success with more than ninety entries in the competition and two hundred guests attending the awards night. Curators Tim and Paula Bray put together a quality exhibition which received great feedback while University of Western Australia curator Lee Kinsella and local art teacher Joel Wilson formed the judging panel and also gave great feedback on the high standard of entrants. The KAP Overall winner was presented to Jeani Rangi of the Great Sandy Desert for her traditional aboriginal dot-style painting entitled 'This is the Desert.'

The inaugural Kimberley Photographic Award 2012 was received very well by the local and regional art scene with more than seventy participants entering into the competition. The awards night had more than 200 guests attend and several sales were made on the night. KPA 2012 Overall winner was presented to Mieke Boynton of Broome for her black and white landscape shot entitled 'Exit Stage Left.' Curators Tim and Paula Bray did a marvellous job putting the exhibition together while local judges were Col Roberts, Naomi Hatherley and Marko Krajlevich.

Derby's inaugural Smokefree WA HAWK now! Derby Freshfest free community concert took place late November 2012 as part of a healthy communities initiative led by HAWK now! and the Community Development Team. The event featured two components; a healthy lifestyles expo and community concert, which aimed to appeal to everybody in the community as a smoke-alcohol and drug free event. Australian Idol runner up and platinum selling singer/songwriter Jessica Mauboy headlined the concert with support from local bands Trax, 42 Decibel and dance groups Aviva Hip Hop and Derby Dance Group. Approx. 30 stallholders took part in the expo and 2,000 people attended the event with feedback showing that the event was considered a great success among the community. Many national and local funding and in-kind sponsors supported the event.

The VIBE 3 on 3 Festival was a great day in Fitzroy Crossing with 100's of young people taking part from all over the Shire. AFL legend Nicky Winmar was the ambassador for the event which saw young people take part in lifestyle workshops and sporting events. To end things there was a massive dance off between the competitors.

The Library collection now includes e-Resources, both e-Books and e-Audio books. Our subscription to eAudio books offers access to a collection of hundreds of unabridged audiobooks. e-Books are provided through a state-wide consortium deal with the State Library of Western Australia. The digitisation of Local History photographic collection is now complete with over 400 photos digitised and available for viewing on the large screen in the library. Better Beginnings continues to be popular with visits from Kindy and Pre-Primary school children to the library. Children's Book Week in September saw a visit by illustrator Sam Hughes who entertained children from all Derby schools, Looma Remote Community School and Fitzroy Valley District High School. New programmes were introduced, including Crafty Corner which has been popular with the 8-12 year age group. In February, Terri-Ann White from UWA Publishing held a writers workshop in the library and from this the Derby Writers' Group was formed, the group meets regularly in the library. Stephen Travel Editor of The West Australian Newspaper was a special guest for an evening of tales and story ideas in July. Fitzroy Crossing Library started visits to Baya Gawyi Day Care Centre for story time and craft, they introduced a chill out for after school kids and are now open extended hours on Monday evenings.

The Derby Memorial Swimming Pool hosted BHP Aquatic Super Series which saw Olympic legends Libby Trickett, Matt Whelsh and Geoff Huegill visit the Pool and deliver workshops for members of the Derby Sharks Swim Club. Over the past twelve months long time Pool Manager Marcus Maher decided to return to Victoria.

We had a change with the Youth Centre saying Goodbye to Tim Solomon after a short period. We welcomed Jo Allan to the Youth Centre who has implemented a varied program. The Youth Centre is attracting large numbers of kids and has applied for over \$680,000 worth of grants to help manage the programs and to expand the service to meet the needs of the young people in Derby. The Youth Centre has had an increase in staffing with the employment of a casual young mentor from the community. There has been an increased involvement with Child Protection and other service providers in regards to the significant issues our young people are facing such as family violence, neglect, sexual abuse, poor health, risky behaviours, substance misuse, suicide disclosures, challenging behaviours, self-harm, poor school engagement and involvement in illegal behaviours. There has also been a Youth Centre upgrade and new equipment purchased including an outdoor inflatable cinema system. There has been successful and well attended school holiday activities including pro-skater workshops, open day, horse riding, fishing, movie nights and Broome trips. New

community partnerships have been formed and existing partnerships strengthened with community organisations and families of young people who attend the centre.

The Shire's Club Development Officer has done a great job in the first year getting Tennis and Squash clubs up and running as well as assisting many other clubs with funding submissions as well as helping others update their constitution.

John Hart arrived in March and took over the role as HAWK now! Coordinator from Ayesha Moss. The work Ayesha started continued under John's leadership. This involved the continuation of both the Woman's and Men's cooking groups, working mainly with indigenous men and women in the area of cooking, exercise, and nutritional advice. Vicki Kim has continued her work with local cafes and food outlets insuring the "Healthy Bite" initiative is still active and current. This project was recently evaluated by Dietician students which enabled us to see how well the project was working. We had both some good results and some information that allowed us to target customers a little better. We continued our work with writing of "Health and Wellness" articles in the "Muddy Waters" and also our email distribution of an array of health and wellness information.

## **DISABILITY ACCESS AND INCLUSION PLAN**

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

The following is a summary of our achievements under the Shire of Derby West Kimberley Disability Access Plan for 2012/13.

### **Outcome One**

**People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the Shire of Derby West Kimberley**

#### **Strategies:**

##### **Establish a Disability Access Committee to guide the implementation of DAIP activities**

Disability Access Committee has been established as part of the Occupational Health and Safety Committee.

##### **Ensure that people with disabilities are provided with an opportunity to comment on access to services**

The Shire of Derby West Kimberley encourages community consultation/feedback in a variety of mediums to allow the maximum level of community participation. Consultation may take the form of:

- Media interviews with local and regional radio about community issues;
- Reports in local newspapers;
- Information flyers promoted on local notice boards;
- Community discussions;
- One on one consultation.

### **Monitor the Shire's Access and Inclusion Policy to ensure it supports equitable access to services by people with disabilities throughout the various functions of the Shire**

The Shire of Derby West Kimberley works in partnership with the local Garnduwa Team to provide a range of physical activities appropriate for Derby youth, particularly throughout the school holiday programs run each term. The Shire of Derby West Kimberley together with Garnduwa have recently teamed up with the Western Australian Disability Services Association (WADSA) to develop a range of alternate physical activities specifically targeted at local youth with disabilities. The Shire of Derby West Kimberley, Garnduwa and WADSA maintain close ties to continue to support the development of future programs such as these.

### **Make the library technology as accessible as possible**

A number of measures have been taken to ensure that the library is easily accessible for all members of the community, including ensuring access to:

- Talking books on CD and cassette in Adult and Junior Fiction and Non-Fiction to assist visually impaired;
- Books available in Braille if requested;
- Books available in Languages other than English if requested;
- Literacy Packs with accompanying CD available for people with reading difficulties;
- Improved access to library information through the provision of materials in relevant format(s);
- Improved access to library through continued community outreach in the form of outreach programs in alternate venues for community members who cannot or are not comfortable attending the library.

### **Develop links between the DAIP and other Shire plans and strategies**

- New 10 year Strategic Plan adopted and notes the principal of disabled access.

### **Ensure that events are organised so that they are accessible to people with disabilities**

Community events are promoted as events friendly to all those in the community. Events are held at venues that have disabled access and at concerts those with limited mobility are located at the front. Events sponsored by the Shire of Derby West Kimberley also need to meet DAIP requirements.

### **Recreation Facilities**

- Ramp access at Pool and Recreation Centre with wide entrance available for wheelchair users;
- Pathway around pool leading to water park and disabled change rooms;
- Pool Hoist available to allow access to pool for people experiencing difficulties getting into water;
- Handle bars at toddler pool for easier access;
- Steps at main pool for easier access;
- Disabled parking bays at Pool and Recreation Centre to ensure the facility is accessible;

- Pavement walkways at Recreation Centre leading to undercover courts, tennis courts and Sportsmen Club;
- Disabled change rooms available at Recreation Centre, Pool and Town Oval.

#### **Library Facilities**

- ACROD parking bay available at front entrance of library;
- Ramp access available at both entrances of the library.

#### **Civic Centre Facilities**

- Disabled access available;
- Disabled toilet facilities available.

#### **Town Oval Facilities**

- Disabled access available;
- Disabled toilet facilities available.

The Shire of Derby West Kimberly has also linked in with local service providers Garnduwa and regional service groups such as WADSA to provide disability friendly activities for youth during the school holiday programs.

#### **Ensure that Shire staff and agents and contractors are aware of the relevant requirements of the Disability Services Act**

- To meet the requirements of Outcome 1, Shire of Derby West Kimberly has included the DAIP in all staff induction plans to ensure awareness of DAIPs;
- DAIP has been made available on staff H: drive to ensure all staff have access to information pertaining to their requirements as set out in the Disability Services Act;
- Training programs are available for staff to ensure awareness.

### **Outcome Two**

**People with disabilities have the same opportunities as other people to access the buildings and other facilities of the Shire of Derby West Kimberly**

#### **Strategies:**

#### **Ensure that all buildings and facilities are physically accessible to people with disabilities**

##### **Recreation Facilities**

- Ramp access at Pool and Recreation Centre with wide entrance available for wheelchair users;
- Pathway around pool leading to water park and disabled change rooms;
- Pool Hoist available to allow access to pool for people experiencing difficulties getting into water;
- Handle bars at toddler pool for easier access;
- Steps at main pool for easier access;



- Disabled parking bays at Pool and Recreation Centre to ensure the facility is accessible;
- Pavement walkways at Recreation Centre leading to undercover courts, tennis courts and Sportsmen Club;
- Disabled change rooms available at Recreation Centre, Pool and Town Oval;
- New ramps in place at the Derby Sportsman's Club.

#### **Library Facilities**

- ACROD parking bay available at front entrance of library;
- Ramp access available at both entrances of the library.

#### **Civic Centre Facilities**

- Disabled access available;
- Disabled toilet facilities available;
- New Handrails fitted to stairs.

#### **Town Oval Facilities**

- Disabled toilet facilities available;
- New pathway scheduled in 2012.

#### **Fitzroy Library**

- Disabled access available.

#### **Wharf**

- Disabled access available;
- Disabled toilet facilities available;
- Cattle race walkway sealed for better wheel chair access.

#### **Community Parks**

- Disabled access available;
- Disabled toilet facilities available.

#### **Curtin Airport**

- Disabled access available;
- Disabled toilet facilities available.

**Plans are underway to upgrade the following areas to comply with Disability Services Act requirements:**

- Fitzroy Crossing Depot;
- Derby Airport;
- Fitzroy Crossing Airport Terminal.

**Ensure that all new or redeveloped works provide access to people with disabilities where practicable**

- In line with the Building Code Australia requirements, all new works are required to conform to the DSA standards;
- New Visitor Centre meets required laws;
- Audits on buildings are done as part of the Shire's maintenance inspections to ensure compliance with disabled access requirements;
- Old buildings within the Shire are in the process of being retro fitted as money becomes available.

**Ensure that ACROD parking meets the needs of people with disabilities in terms of quantity and location**

Disability access and parking is available at the following locations:

- Derby Public Library;
- Derby Memorial Swimming Pool;
- Derby Youth Centre;
- Derby Recreation Centre;
- Derby Civic Centre;
- SDWK Administration Building;
- New Visitor Centre.

Full audit conducted as part of new DAIP development process and issues noted in plan.

**Advocate to local businesses and tourist venues the requirements for and benefits flowing from the provision of accessible venues, by attaching the Disability Services Commission's Access Information checklists.**

Ongoing process – Shire of Derby West Kimberley staff carry out inspections of tourist accommodation and the need for disabled access is mentioned to operators.

**Ensure that parks and reserves are accessible**

- All new footpaths that are constructed to the relevant standards for disabled people;
- Shire Works Staff carry out regular inspections of the town's footpath network to ensure that trees are maintained to a safe and suitable height for pedestrians to travel under;
- Regular maintenance repairs are carried out on existing footpaths to ensure meet safety standards for pedestrians.

**Ensure that public toilets meet the associated accessibility standards**

All public toilets in the Shire meet accessibility standards.

### **Ensure that footpaths are included in the Shire's Maintenance Management System and also maintained in the Shire's footpath plan**

The Shire of Derby West Kimberley is committed to ensuring the safe standards of footpaths within the community and as such has an ongoing policy to ensure footpaths are included in the Shire's Maintenance Management System. Maintenance and upgrades to footpaths have continued. New Footpath Plan adopted by council outlining new locations and required repairs.

### **Outcome Three**

**People with disabilities receive information from the Shire of Derby West Kimberley in a format that will enable them to access the information as readily as other people are able to access it**

#### **Strategies:**

#### **Improve community awareness that Shire information is available in alternative formats upon request**

- Corporate Services ensures that all outgoing correspondence is in a format that is visually suitable through the use of plain font/suitable size font;
- Shire of Derby West Kimberley Annual Report is made available in a number of alternative formats, including website, email, computer disk, hard copy.

#### **Improve staff awareness of accessible information needs and how to obtain information in other formats**

- Shire of Derby West Kimberley has included the DAIP in all staff induction plans to ensure awareness of DAIPs;
- DAIP has been made available on staff H: drive to ensure all staff have access to information pertaining to their requirements as set out in the Disability Services Act;
- Development Services endeavours to make any relevant documents available in alternative formats if requested by public;
- Recreation Service staff members are provided with training to ensure awareness of accessibility needs and ensure that these practices are implemented on a day-to-day basis;
- New DAIP sent to all supervisors for implementation.

#### **Ensure that the Shire's website meets contemporary good practice**

The Shire of Derby West Kimberley is continuing to update its website to ensure that all aspects meet the requirements for contemporary good practice standards: currently there are a number of aspects of the Shire of Derby West Kimberley website that do conform to contemporary good practice standards, however due to server difficulties the process has yet to be fully completed. It is envisaged that this will be an ongoing process to continue to maintain and develop options to meet these standards.

**Provide documentation regarding services, facilities and customer feedback in appropriate format using clear and concise language**

One of the Shire's continuing strategies is to develop a list of available publications and list what alternative formats they will be made available in to assist the community in understanding the various options available to them. A large amount of information is sent electronically in large font to make it easier to read.

**Outcome Four**

**People with disabilities receive the same level and quality of service from the staff of the Shire of Derby West Kimberley as other people would receive from the staff of the Shire of Derby West Kimberley**

**Strategies:**

**Improve staff awareness of disability and access issues and improve skills to provide a good level of service to people with disabilities**

- Continued training opportunities for staff to ensure up to date information about the requirements in place to ensure equal access;
- Review Customer Service Charter to ensure it mentions DAIP principles;
- Recreational Service team members undergo training to ensure they are capable of assisting disabled patrons.

**Improve the awareness of new employees and new Councillors about disability and access issues**

- To meet the requirements of Outcome 1, the Shire of Derby West Kimberley has included the DAIP in all staff induction plans to ensure awareness of DAIPs
- DAIP has been made available on staff H: drive to ensure all staff have access to information pertaining to their requirements as set out in the Disability Services Act

**Further generate and sustain staff awareness of disability and access issues**

This is an ongoing commitment of the Shire of Derby West Kimberley and as such will never be considered complete. Staff training and re-enforcement is a continual process to ensure staff awareness of disability and access issues are maintained. The Shire of Derby West Kimberley endeavours to reiterate the importance of DAIPs at all staff meetings to ensure continued awareness of the requirements

## **OUTCOME FIVE**

**People with disabilities have the same opportunities as other people to make complaints to the Shire of Derby West Kimberley**

### **Strategies:**

#### **Ensure that current grievance mechanisms are accessible for people with disabilities**

- Shire of Derby West Kimberley Corporate Services Department to conduct a review of the Shire of Derby West Kimberley complaints policy to ensure it acknowledges DAIP principles
- The Shire of Derby West Kimberley encourages community feedback in a variety of mediums including electronic, word, and in person.

#### **Improve staff knowledge so that they can receive complaints from people with a disability**

- Customer Service Training courses to cover DAIP requirements
- Service Managers to ensure that all frontline customer service staff are aware of these requirements

#### **Ensure that grievance mechanism processes and outcome satisfaction survey forms are available in formats to meet the needs of people with disabilities**

Survey conducted as part of the development of new DAIP in a range of formats.

## **Outcome Six**

**People with disabilities have the same opportunities as other people to participate in public consultation by the Shire of Derby West Kimberley**

### **Strategies:**

#### **Improve community awareness about consultation processes currently in place**

The Shire of Derby West Kimberley endeavours to always provide the community with all necessary information, utilising a number of different strategies to engage with all community members. Current consultation and awareness mechanisms include:

- Utilising town notice boards to highlight important community information;
- Advertising in the local community paper;
- Interviews with local community radio station 6DBY to reach a wider community group;
- Holding public forums to allow the community to engage with SDWK and discuss any concerns/feedback they may have;
- Encouraging feedback in various forms, including electronic, word, and in person.

**Commit to ongoing monitoring of the DAIP to ensure implementation and satisfactory outcomes**

Community Development is linked with DSC and other community stakeholders to ensure that people with disabilities have the same opportunity to participate in public consultation processes. Focus groups held at the offices of DSC and one on one with clients.

**Improve access for people with disabilities to the established consultative processes of the Shire of Derby West Kimberley**

The Shire of Derby West Kimberley encourages community consultation/feedback in a variety of mediums to allow the maximum level of community participation. Consultation may take the form of:

- Media interviews with local and regional radio about community issues;
- Reports in local newspapers;
- Information flyers promoted on local notice boards;
- Community discussions;
- One on one consultations;
- Focus groups to guide the development of the Strategic Community Plan.

**Seek a broad range of views on disability and access issues from the local community**

- Completed survey and focus groups for the development of the 2012 – 16 DAIP;
- Encouraging feedback in various forms, including electronic, word, and in person.

Brad Isbister

**EXECUTIVE MANAGER COMMUNITY DEVELOPMENT**

## CORPORATE SERVICES

Corporate Services is responsible for producing the Shire's Budget and Annual Financial Statements, and is required to meet statutory compliance regulations to ensure full accountability and disclosure of information.

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

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.

### FINANCIAL SERVICES

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

We deliver usable management reports for Council and interested readers. This has resulted in an expanded Annual Budget, an informative and usable Plan for the Future of the District 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.

### 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.

In June 2011 Council adopted The Plan for the Future of the District 2011/12 – 2020/21 and requested that the draft plan proceed to community consultation stage.

Amendments to the Local Government (Administration) Regulations 1996 have better defined what comprises a Plan for the Future. 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 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 to be reviewed annually to 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.

This Annual Report has been based on The Plan for the Future of the District, however it is noted that future Annual Reports will report on the SCP and CBP.

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 2012/2013 financial year's budget was prepared and adopted by Council on 30 August 2012.

The budget also forms the basis for determining the level of Shire rates, which only incurred a modest increase for the 2012/2013 year. The discount rates system was again utilised offering a 2% discount on rates for those properties paying in full by the due date.

### **Annual 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.

### **Financial Statements**

Financial statements outline the income and expenditure associated with the Shire's activities for the previous financial year. Once audited, the Financial Statements are published in the Annual Report.

### **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 as required and submitted a copy of the review to the State Records Office on 14 March 2013.

## GOVERNANCE AND COMPLIANCE

The Annual Compliance Audit Return is required to be completed by the Shire 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 2012 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 Services	15
<b>Total</b>	<b>78</b>

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**

The primary function is to oversee the recruitment, retention and contractual employment obligations of our employees. It also assists departmental managers with a variety of functions such as the induction, development and training of staff, Occupational Safety and Health, performance appraisals, payroll management, worker's compensation, employee terminations, negotiation of individual and collective employee agreements and resolution of employee disputes.

### **Recruitment**

Recruitment was particularly busy in 2012/13, with 65 vacancies including 21 casuals. The casuals covered positions such as cleaning, pool and fitness and the youth centre.

### **Occupational Safety and Health**

Our Occupational Safety and Health Committee (OS&H) was set up in June 2009. Continued outcomes for 2012/13 were;

- Workplace Safety Checklist and Inspections;
- Bimonthly meetings and minutes;
- Evacuation Plans for Shire Buildings;
- Accident/Incident Investigation Register;
- Risk Register Report;
- Four OSH Committee members attended a 5 day OHS Representatives Training Course in Derby.

2012/13 saw four worker's compensation claims submitted, all were accepted, with two finalised and the remaining two still progressing.

### **Enterprise Agreements**

During 2009/10 the Shire of Derby West Kimberley negotiated separate Enterprise Agreements with our Indoor, Outdoor and Ports staff. All agreements were negotiated, voted and signed at the end of 2009 and ran for a period of three years.

Negotiations commenced for all three Enterprise Agreements in late 2012.

## FITZROY CROSSING

### Fitzroy Crossing Visitor Centre

The Shire opened the Fitzroy Crossing Tourist Bureau in 1997 to service the growing needs of locals and visitors to the town, and since then it has become a very important facility in Fitzroy Crossing.

A small but dedicated staff of 3 full time and one part time staff member, ensures that this facility is open six (6) days a week during the busy dry season (April – September) and five (5) days during the Wet season (October – March) when the roads into and around Fitzroy Crossing can become impassable due to heavy rainfall.

In 2007 the Centre gained National Accreditation with the Tourism Council and changed its name from Fitzroy Crossing Tourist Bureau to Fitzroy Crossing Visitor Centre. Gaining this accreditation is a milestone for the town as it means that it now operates using best practice and the same standards as all other accredited centres across Australia.

This multi-purpose building is also home to the Fitzroy Crossing Public Library with over 300 items available for short term borrowing including books, DVDs, videos, audio tapes and local newspapers and magazines. The library has internet access for use by the public on a fee for time basis.

The building also acts as the Shire's Office in Fitzroy Crossing, providing ratepayers with municipal services including dog registrations, rate and debtor payment facilities and is a central point of contact for Shire services in Fitzroy Crossing.

## 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.

### 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 \$	2012/2013	2011/2012
100,000 to 109,999		
110,000 to 119,999	3	4
120,000 to 129,999	1	
130,000 to 139,999		
140,000 to 149,999		1
150,000 to 159,999		
160,000 to 169,999		
170,000 to 179,999	1	
180,000 to 189,999		
190,000 to 199,999		

### Elected Members' Attendance at Council Meetings

Elected Members attended the following meetings during the 2012/2013 year:

Elected Member	Electors AGM (1)	Council Meeting (11)	Special Council Meeting (4)	Council Forum (10)
Cr E Archer	1	11	4	10
Cr P White	1	9	4	7
Cr P McCumstie	0	8	1	3
Cr A Twaddle	1	11	4	8
Cr R Sullivan	1	10	4	9
Cr I Prouse	1	10	3	7
Cr C Travers	1	9	3	10
Cr M Brown	0	7	1	7
Cr P Kneebone	1	10	3	7

### **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 2012/2013 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 2012/2013 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 2012/13 financial year, no disclosures relating to improper conduct were made to the Shire and therefore no disclosures were referred to the Ombudsman.

## 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 team for their continued dedication, hard work and commitment, which has assisted the Shire in achieving the results of the 2012/2013 year. No organisation can function effectively and achieve its outcomes without its 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.

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**

## FINANCIAL PERFORMANCE MEASURES

The 2012/2013 Financial Performance Measures are stated on page 104 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 2012/2013 year was 370%, 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 2012/2013 year was 167%, which shows that the Shire is 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 UHYHN believes, 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 2012/2013 year was 900%, which although considered low by the DLG's Integrated Planning and Advisory Standard is within the parameters suggested by its Auditors.

### **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 2012/2013 year was - 2%, 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 69%, 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 58% as at 30 June 2013 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 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 84% 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**

Unfortunately, the WA Local Government Grants Commission advised at the start of the year that the Shire of Derby West Kimberley, along with all other Kimberley and Pilbara councils, will have a significant reduction of its Financial Assistance Grant in the 2012/2013 financial year. The reduction in the General Purpose Grant will be \$554,621 and the reduction in the Roads Grant will be \$10,181 making a total reduction of \$554,802.

It is worth noting that the 7.9% rate increase adopted for the 2012/2013 financial year raised an additional \$556,277 in rate revenue which is only \$1,475 more than the reduction in Councils Grants Commission funding of \$554,802.

The Shire of Derby/West Kimberley's untied Financial Assistance Grant, which is sourced from the Federal Government, was \$5.283 million in the 2012/2013 year.

The WA Local Government Grants Commission has advised that the Shire of Derby West Kimberley will be receiving a further cut of in their General Purpose Grant of \$519,157 in the 2013/2014 year resulting in a total reduction in Council's General Purpose Grant of \$1,033,778 in just two years. It is prudent that Council takes this issue to the WA Local Government Grants Commission with the support of the other Councils within the Kimberley and Pilbara who experienced similar reductions in their funding.

### **Doubtful Receivables / Debtor Exposure**

Note 4 of the Shire's Annual Financial Report gives details of its Receivables position.

The outstanding rates amount at the end of the financial year was \$577,629.

An ongoing issue faced by the Shire 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 the Shire'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 the Shire 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.

The Shire 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 REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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**SHIRE OF DERBY WEST KIMBERLEY  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed as authorisation of issue on the twentieth day of December 2013.

  
Martin Cuthbert  
Acting Chief Executive Officer

**SHIRE OF DERBY WEST KIMBERLEY  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30 JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Revenue</b>				
Rates	21	5,611,855	5,504,202	4,925,308
Operating Grants, Subsidies and Contributions	27	5,769,717	3,211,777	8,549,904
Fees and Charges	26	5,649,476	6,490,064	7,835,687
Interest Earnings	2(a)	445,979	298,222	308,368
Other Revenue		1,906,912	875,500	966,078
		<u>19,383,939</u>	<u>16,379,765</u>	<u>22,585,345</u>
<b>Expenses</b>				
Employee Costs		(7,020,483)	(7,304,088)	(6,418,759)
Materials and Contracts		(7,025,965)	(8,780,086)	(8,304,630)
Utility Charges		(867,974)	(1,016,935)	(895,464)
Depreciation on Non-Current Assets	2(a)	(3,475,644)	(3,330,545)	(3,692,671)
Interest Expenses	2(a)	(172,864)	(155,493)	(131,723)
Insurance Expenses		(769,292)	(722,164)	(638,244)
Other Expenditure		(325,053)	(498,718)	(1,743,421)
		<u>(19,657,275)</u>	<u>(21,808,029)</u>	<u>(21,824,912)</u>
		(273,336)	(5,428,264)	760,433
Non-Operating Grants, Subsidies and Contributions				
	27	4,314,855	9,772,407	6,457,313
Profit on Asset Disposals	19	130,020	259,355	81,028
Loss on Asset Disposal	19	(182,703)	(16,280)	0
		<u>4,262,172</u>	<u>9,915,482</u>	<u>6,538,341</u>
<b>Net Result</b>		<b>3,988,836</b>	<b>4,587,218</b>	<b>7,298,774</b>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	729,259	0	0
<b>Total Other Comprehensive Income</b>		<u>729,259</u>	<u>0</u>	<u>0</u>
<b>Total Comprehensive Income</b>		<u><u>4,718,095</u></u>	<u><u>4,587,218</u></u>	<u><u>7,298,774</u></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 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Revenue</b>				
Governance		115,681	77,139	185,414
General Purpose Funding		10,606,526	7,778,525	11,995,654
Law, Order, Public Safety		81,981	58,210	63,731
Health		574,513	486,937	387,584
Education and Welfare		518,828	466,705	456,984
Housing		84,213	121,320	128,185
Community Amenities		1,858,597	1,799,705	2,134,866
Recreation and Culture		422,169	369,650	371,002
Transport		4,152,089	4,698,334	6,223,281
Economic Services		536,056	456,460	553,563
Other Property and Services		485,968	66,780	85,081
	2(a)	<u>19,436,621</u>	<u>16,379,765</u>	<u>22,585,345</u>
<b>Expenses</b>				
Governance		(1,220,055)	(1,298,712)	(1,096,246)
General Purpose Funding		(114,913)	(107,434)	(83,490)
Law, Order, Public Safety		(339,504)	(381,235)	(342,614)
Health		(697,125)	(835,662)	(685,057)
Education and Welfare		(926,817)	(1,038,013)	(658,994)
Housing		(443,342)	(454,081)	(351,163)
Community Amenities		(3,109,401)	(3,286,549)	(2,810,410)
Recreation and Culture		(3,594,931)	(3,865,130)	(3,328,331)
Transport		(7,560,751)	(8,922,577)	(11,093,766)
Economic Services		(1,087,255)	(1,124,484)	(981,767)
Other Property and Services		(442,999)	(338,659)	(261,351)
	2(a)	<u>(19,537,093)</u>	<u>(21,652,536)</u>	<u>(21,693,189)</u>
<b>Finance Costs</b>				
Housing		(101,014)	(89,113)	(80,645)
Recreation and Culture		(18,977)	(13,584)	(17,139)
Transport		(29,214)	(29,137)	(31,065)
Economic Services		(22,567)	(22,567)	0
Other Property and Services		(1,092)	(1,092)	(2,874)
	2(a)	<u>(172,864)</u>	<u>(155,493)</u>	<u>(131,723)</u>
<b>Non-Operating Grants, Subsidies and Contributions</b>				
Governance		0	0	400,000
General Purpose Funding		0	1,152,367	1,152,367
Law, Order, Public Safety		0	0	29,334
Housing		0	950,000	0
Recreation and Culture		75,000	201,910	310,241
Transport		4,239,855	7,468,130	4,365,417
Economic Services		0	0	199,954
		<u>4,314,855</u>	<u>9,772,407</u>	<u>6,457,313</u>
<b>Profit/(Loss) on Disposal of Assets</b>				
Governance		4,363	(10,688)	3,899
Law, Order, Public Safety		0	14,465	8,551
Health		0	0	7,103
Recreation and Culture		941	1,175	0
Transport		0	13,000	0
Economic Services		2,727	(3,082)	5,192
Other Property and Services		(60,714)	228,205	56,283
		<u>(52,683)</u>	<u>243,075</u>	<u>81,028</u>
<b>Net Result</b>		<b>3,988,836</b>	<b>4,587,218</b>	<b>7,298,774</b>

**SHIRE OF DERBY WEST KIMBERLEY  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30 JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Net Result</b>		3,988,836	4,587,218	7,298,774
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	<u>729,259</u>	<u>0</u>	<u>0</u>
<b>Total Other Comprehensive Income</b>		<u>729,259</u>	<u>0</u>	<u>0</u>
<b>Total Comprehensive Income</b>		<u><u>4,718,095</u></u>	<u><u>4,587,218</u></u>	<u><u>7,298,774</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 2013**

	NOTE	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	10,099,921	8,727,546
Trade and Other Receivables	4	2,706,187	3,235,069
Inventories	5	<u>145,318</u>	<u>236,027</u>
<b>TOTAL CURRENT ASSETS</b>		<u>12,951,426</u>	<u>12,198,642</u>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	4	37,994	35,375
Property, Plant and Equipment	6	24,505,299	24,457,331
Infrastructure	7	<u>45,160,368</u>	<u>41,411,706</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>69,703,661</u>	<u>65,904,412</u>
<b>TOTAL ASSETS</b>		<u>82,655,087</u>	<u>78,103,054</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	1,366,773	1,340,188
Long Term Borrowings	9	100,030	184,691
Provisions	10	<u>629,208</u>	<u>643,560</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,096,011</u>	<u>2,168,439</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	9	2,452,622	2,564,200
Provisions	10	<u>123,693</u>	<u>105,749</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>2,576,315</u>	<u>2,669,949</u>
<b>TOTAL LIABILITIES</b>		<u>4,672,326</u>	<u>4,838,388</u>
<b>NET ASSETS</b>		<u>77,982,761</u>	<u>73,264,666</u>
<b>EQUITY</b>			
Retained Surplus		73,790,329	71,514,112
Reserves - Cash/Investments Backed	11	3,463,173	1,750,554
Revaluation Surplus	12	<u>729,259</u>	<u>0</u>
<b>TOTAL EQUITY</b>		<u>77,982,761</u>	<u>73,264,666</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 2013**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2011		56,450,559	1,223,144	8,292,189	65,965,892
Correction of Errors		8,292,189	0	(8,292,189)	0
Restated Balance		<u>64,742,748</u>	<u>1,223,144</u>	<u>0</u>	<u>65,965,892</u>
Comprehensive Income					
Net Result		7,298,774	0	0	7,298,774
Total Comprehensive Income		<u>7,298,774</u>	<u>0</u>	<u>0</u>	<u>7,298,774</u>
Reserve Transfers		(527,410)	527,410	0	0
		<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Balance as at 30 June 2012</b>		<b>71,514,112</b>	<b>1,750,554</b>	<b>0</b>	<b>73,264,666</b>
Comprehensive Income					
Net Result		3,988,836	0	0	3,988,836
Changes on Revaluation of Non-Current Assets	12	<u>0</u>	<u>0</u>	<u>729,259</u>	<u>729,259</u>
Total Other Comprehensive Income		3,988,836	0	729,259	4,718,095
Reserve Transfers		(1,712,619)	1,712,619	0	0
		<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Balance as at 30 June 2013</b>		<b><u>73,790,329</u></b>	<b><u>3,463,173</u></b>	<b><u>729,259</u></b>	<b><u>77,982,761</u></b>

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 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		5,681,513	5,873,802	4,561,066
Operating Grants, Subsidies and Contributions		5,912,020	3,643,097	8,381,235
Fees and Charges		6,128,700	6,490,064	8,053,021
Service Charges		0	0	0
Interest Earnings		445,978	298,222	308,368
Goods and Services Tax		1,511,966	1,870,000	2,027,009
Other Revenue		1,302,753	875,500	1,013,397
		<u>20,982,930</u>	<u>19,050,685</u>	<u>24,344,096</u>
<b>Payments</b>				
Employee Costs		(7,027,660)	(7,257,188)	(6,335,150)
Materials and Contracts		(7,090,904)	(8,304,186)	(10,082,203)
Utility Charges		(854,206)	(1,016,935)	(895,464)
Insurance Expenses		(769,292)	(722,164)	(638,244)
Interest expenses		(162,005)	(156,229)	(132,826)
Goods and Services Tax		(1,584,428)	(1,870,000)	(1,714,524)
Other Expenditure		(214,285)	(498,718)	(1,764,649)
		<u>(17,702,780)</u>	<u>(19,825,420)</u>	<u>(21,563,060)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	13(b)	<u>3,280,150</u>	<u>(774,735)</u>	<u>2,781,036</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant and Equipment		(1,551,537)	(4,296,160)	(2,475,955)
Payments for Construction of Infrastructure		(5,646,886)	(12,549,841)	(4,309,612)
Non-Operating Grants, Subsidies and Contributions		4,791,162	9,761,087	7,391,297
Proceeds from Sale of Plant and Equipment		695,725	894,640	181,455
<b>Net Cash Provided By (Used In) Investing Activities</b>		<u>(1,711,536)</u>	<u>(6,190,274)</u>	<u>787,185</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(196,239)	(184,691)	(349,833)
Proceeds from New Debentures		0	0	900,000
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>(196,239)</u>	<u>(184,691)</u>	<u>550,167</u>
<b>Net Increase (Decrease) in Cash Held</b>		1,372,375	(7,149,700)	4,118,388
Cash at Beginning of Year		8,727,546	8,727,546	4,609,158
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u>10,099,921</u>	<u>1,577,846</u>	<u>8,727,546</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 2013**

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
<b>Revenue</b>				
Governance		120,046	79,648	589,313
General Purpose Funding		4,994,671	3,426,690	8,222,714
Law, Order, Public Safety		81,981	72,675	101,616
Health		574,513	486,937	394,687
Education and Welfare		518,828	466,705	456,984
Housing		84,213	1,071,320	128,185
Community Amenities		1,858,597	1,799,705	2,134,866
Recreation and Culture		498,109	572,735	681,242
Transport		8,391,944	12,179,464	10,588,698
Economic Services		538,783	456,460	758,709
Other Property and Services		425,253	294,985	141,364
		<u>18,086,938</u>	<u>20,907,324</u>	<u>24,198,378</u>
<b>Expenses</b>				
Governance		(1,220,055)	(1,311,910)	(1,096,246)
General Purpose Funding		(114,913)	(107,434)	(83,490)
Law, Order, Public Safety		(339,504)	(381,235)	(342,614)
Health		(697,125)	(835,662)	(685,057)
Education and Welfare		(926,817)	(1,038,013)	(658,994)
Housing		(544,356)	(543,194)	(431,808)
Community Amenities		(3,109,401)	(3,286,549)	(2,810,410)
Recreation and Culture		(3,613,908)	(3,878,714)	(3,345,470)
Transport		(7,589,965)	(8,951,714)	(11,124,831)
Economic Services		(1,109,822)	(1,150,133)	(981,767)
Other Property and Services		(444,091)	(339,751)	(264,225)
		<u>(19,709,957)</u>	<u>(21,824,309)</u>	<u>(21,824,912)</u>
<b>Net Result Excluding Rates</b>		(1,623,019)	(916,985)	2,373,466
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
Initial Recognition of Assets Due to Change to Regulations				
- Land		(93,000)	0	0
(Profit)/Loss on Asset Disposals	19	52,683	(243,075)	(81,028)
Movement in Deferred Pensioner Rates (noncurrent)		(2,619)	0	(9,063)
Movement in Employee Benefit Provisions		3,592	0	15,550
Depreciation and Amortisation on Assets	2(a)	3,475,644	3,330,545	3,692,671
<b>Capital Expenditure and Revenue</b>				
Purchase Land and Buildings		(240,360)	(2,915,160)	(1,623,314)
Purchase Infrastructure Assets - Roads		(3,373,338)	(5,069,054)	(3,633,198)
Purchase Infrastructure Assets - Other		(2,273,548)	(7,480,787)	(591,328)
Purchase Plant and Equipment		(1,041,478)	(1,165,500)	(799,073)
Purchase Furniture and Equipment		(130,811)	(215,500)	(138,654)
Proceeds from Disposal of Assets	19	695,725	894,640	181,455
Repayment of Debentures	20	(196,239)	(184,691)	(349,833)
Proceeds from New Debentures	20	0	0	900,000
Unspent Loan Borrowings to be Used		0	400,000	(400,000)
(Increase)/Decrease in Restricted Grant Funds		737,548	3,343,685	(1,231,610)
Transfers to Reserves (Restricted Assets)	11	(1,835,505)	(1,569,422)	(822,162)
Transfers from Reserves (Restricted Assets)	11	122,886	1,022,886	294,753
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	21(b)	5,264,216	5,264,216	2,560,276
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	21(b)	5,015,344	0	5,264,216
<b>Total Amount Raised from General Rate</b>	21(a)	<u>(5,472,967)</u>	<u>(5,504,202)</u>	<u>(4,925,308)</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 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Preparation**

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

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

**Critical Accounting Estimates**

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

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

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

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 21 to these financial statements.

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

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

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

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

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

**(d) Cash and Cash Equivalents**

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

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

**(e) Trade and Other Receivables**

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

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

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

**(f) Inventories**

**General**

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

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

**Land Held for Resale**

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

Gains and losses are recognised in the statement of comprehensive income at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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



**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

**(g) Fixed Assets**

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

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

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

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

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

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

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

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

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

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

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

**Land Under Control**

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

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

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

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

**Initial Recognition**

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

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

**Revaluation**

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

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

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

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

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

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

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

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

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

**SHIRE OF DERBY WEST KIMBERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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

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

**Transitional Arrangement**

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

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

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

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

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

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

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

**Land under Roads**

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

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

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

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

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

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

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

**Depreciation of Non-Current Assets**

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

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

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

Buildings	25 to 40
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	
Formation	Not depreciated
Pavement	40 years
Footpaths	15 years
Car Parks	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

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

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

**Capitalisation Threshold**

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

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

**(h) Intangible Assets**

**Easements**

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

They are initially recognised at cost and have an indefinite useful life.

**(i) Financial Instruments**

**Initial Recognition and Measurement**

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

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

**Classification and Subsequent Measurement**

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

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

Amortised cost is calculated as:

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

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

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

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

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

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

**Classification and Subsequent Measurement (Continued)**

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

**Impairment**

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

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

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

**SHIRE OF DERBY WEST KIMBERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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

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

**Derecognition**

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

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

**(j) Impairment**

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

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

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

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is

**(k) Trade and Other Payables**

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

**(l) Employee Benefits**

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

**(m) Borrowing Costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

**SHIRE OF DERBY WEST KIMBERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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

**(n) Provisions**

Provisions are recognised when:

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

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

**(o) Leases**

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

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

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

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

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

**(p) Investments in Associates**

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

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

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



**SHIRE OF DERBY WEST KIMBERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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

**(q) Joint Venture**

The Council's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is set out in Note 18.

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

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

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

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

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

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

**(s) Superannuation**

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

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

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

**(u) Rounding Off Figures**

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

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

**(v) Comparative Figures**

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

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

**(w) Budget Comparative Figures**

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

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

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

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

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

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

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

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

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

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

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

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

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

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

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

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

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

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

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

These new and revised standards were:

AASB 2010 – 8

AASB 2011 - 3

AASB 2011 - 13

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

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

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

<b>2. REVENUE AND EXPENSES</b>	<b>2013</b>	<b>2012</b>	
	<b>\$</b>	<b>\$</b>	
<b>(a) Net Result</b>			
The Net Result includes:			
(i) Charging as an Expense:			
<b>Auditors Remuneration</b>			
- Audit of the Financial Report	30,704	35,583	
- Grant Acquittals	15,170	9,850	
- Other Consulting Services	67,039	0	
	<u>112,913</u>	<u>45,433</u>	
<b>Depreciation</b>			
Buildings	843,814	791,106	
Furniture and Equipment	24,366	44,216	
Plant and Equipment	431,822	352,518	
Computer Equipment	136,477	120,507	
Roads	1,590,288	1,881,840	
Footpaths	46,994	46,278	
Drainage	131,677	131,253	
Land, Parks and Reserves	129,934	95,248	
Derby Wharf Precinct	132,007	127,957	
Airports	0	93,768	
Street Furniture	8,265	7,980	
	<u>3,475,644</u>	<u>3,692,671</u>	
<b>Interest Expenses (Finance Costs)</b>			
Debentures (refer Note 20(a))	172,864	131,723	
	<u>172,864</u>	<u>131,723</u>	
<b>Rental Charges</b>			
- Operating Leases	7,509	8,539	
	<u>7,509</u>	<u>8,539</u>	
(ii) Crediting as Revenue:			
	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	85,505	99,422	92,162
- Other Funds	233,404	101,300	97,970
Pensioner Deferred Interest - Rates/ESL	1,423	0	1,381
Other Interest Revenue (refer note 25)	125,647	97,500	116,855
	<u>445,979</u>	<u>298,222</u>	<u>308,368</u>



**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

**(b) Statement of Objective**

In Order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis 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"

Council operations as disclosed in this budget encompass the following services 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 costs 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, emergency services and animal control.

**HEALTH**

**Objective: To provide an operational framework for environmental and community health.**

Activities: Inspection of food outlets and their control, maternal and infant health, environmental health, noise control, pest control and waste disposal compliance.

**EDUCATION AND WELFARE**

**Objective: To provide services to disadvantaged person, 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 30TH JUNE 2013**

**COMMUNITY AMENITIES**

**Objective: To provide services required by 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 manage efficiently infrastructure and resources which will help the social well being of the community.**

Activities: Maintenance of halls, civic centres, aquatic centre, recreation centres, reserves, libraries, television transmission and other culture.

**TRANSPORT**

**Objective: To provide effective and efficient transport services to the community.**

Activities; Construction and maintenance of roads, streets, drainage works, footpaths, street trees, street lighting, parking facilities, aerodromes and water transport facilities.

**ECONOMIC SERVICES**

**Objective: To help promote the Shire and improve 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 council's overheads operating accounts.**

Activities: Private works, plant repairs and other public operation costs.

**SHIRE OF DERBY WEST KIMBERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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

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

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Closing Balance (*) 30-Jun-12 \$	Received (+) 2012/13 \$	Expended (#) 2012/13 \$	Closing Balance 30-Jun-13 \$
<b><u>General Purpose Funding</u></b>								
Country Local Government Fund	3	760,475	1,152,367	(290,229)	1,622,613		(1,246,956)	375,657
<b><u>Governance</u></b>								
Street Numbering Initiative	4	21,440	0	0	21,440	0	0	21,440
Strategic Planning		0	22,500	(22,500)	0	0	0	0
Long Term Financial Plan		0	30,000	0	30,000	0	(30,000)	0
Asset Management		0	25,000	0	25,000	0	(25,000)	0
<b><u>Law, Order &amp; Public Safety</u></b>								
Hamlett Grove Bushfire Brigade - ESL Operating	5	0	26,760	(20,460)	6,300	20,026	(17,657)	8,669
State Emergency Services - ESL Operating		0	22,172	(21,688)	484	22,584	(15,229)	7,839
<b><u>Health</u></b>								
Aboriginal Environmental Health Program	7	79,724	346,365	(394,896)	31,193	441,101	(332,964)	139,330
Dog Health Program		5,815	0	(5,815)	0	0	0	0
<b><u>Education &amp; Welfare</u></b>								
Youth Services	8	0	149,289	(146,948)	2,341	156,517	(140,905)	17,953
Youth Diversion Innovation Funding		3,877	0	0	3,877	0	0	3,877
Youth Services Graffiti Fund		1,741	0	(1,741)	0	0	0	0
Fitzroy Crossing Resource Centre		100,000	0	0	100,000	0	0	100,000
Youth Advisory Council		285	0	(285)	0	0	0	0
Healthy Communities Initiative		215,250	289,116	(251,099)	253,267	328,849	(410,288)	171,828
<b><u>Recreation &amp; Culture</u></b>								
FX Recreation Precinct Plans	11	0	29,150	0	29,150	0	(10,355)	18,795
FX Reticulation Southern Side of Highway		31,833	0	(21,668)	10,165	0	0	10,165
Derby Multi Purpose Courts Resurface		24,000	0	(24,000)	0	0	0	0
Library - Childrens Book Week		2,280	2,400	(2,280)	2,400	0	(682)	1,718
Kimberley Literature Prize		0	3,500	(1,502)	1,998	0	0	1,998
Public Libraries Australia		0	500	(110)	390	0	0	390

**SHIRE OF DERBY WEST KIMBERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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

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

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Closing Balance (*) 30-Jun-12 \$	Received (+) 2012/13 \$	Expended (#) 2012/13 \$	Closing Balance 30-Jun-13 \$
<b>Transport</b>								
	12							
	Flood Damage Funding	0	1,454,722	(1,454,722)	0	0	0	0
	Roads Construction	432,795	670,553	(488,666)	<b>614,682</b>	165,000	(182,350)	<b>597,332</b>
	Derby Jetty Walkway	232,560	0	(232,560)	0	0		0
	Drainage Remediation	50,000	0	0	<b>50,000</b>	0	(50,000)	0
	Curtin Airport Improvements	250,000	0	(250,000)	0	0	0	0
	Fitzroy Crossing Airport Improvements	0	600,000	0	<b>600,000</b>	1,020,000	(407,499)	<b>1,212,501</b>
<b>Other Unspent Grants - Sundry Debtors</b>								
	Club Development Officer	0	65,000	(26,615)	<b>38,385</b>	65,000	(86,740)	<b>16,645</b>
<b>Total</b>		<u><u>2,212,075</u></u>	<u><u>4,889,394</u></u>	<u><u>(3,657,784)</u></u>	<u><u>3,443,685</u></u>	<u><u>2,219,077</u></u>	<u><u>(2,956,625)</u></u>	<u><u>2,706,137</u></u>

**Notes:**

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

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

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

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	3,530,611	3,171,692
Restricted	<u>6,569,310</u>	<u>5,555,854</u>
	<u><u>10,099,921</u></u>	<u><u>8,727,546</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	369,727	258,786
Airport Reserve	172,799	159,709
Plant Reserve	496,848	59,413
Office and Depot Equipment Reserve	29,415	8,841
Historical Reserve	32,053	30,891
Derby Wharf Major Maintenance Reserve	405,989	293,734
Economic Development Promotions Reserve	17,805	17,160
Staff Housing Reserve	896,322	229,819
Capital Works/Building Reserve	549,960	139,863
Fitzroy Crossing Recreation Hall Reserve	41,774	40,260
Aboriginal Environmental Health Reserve	104,903	101,101
Energy Developments Ltd Community Donations Reserve	345,578	410,977
Unspent Grants	2,706,137	3,405,300
Unspent Loans	<u>400,000</u>	<u>400,000</u>
	<u><u>6,569,310</u></u>	<u><u>5,555,854</u></u>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates Outstanding	577,629	881,446
Less provision for Doubtful Rates	(87,482)	(189,443)
Sundry Debtors	2,079,500	2,510,876
Less Provision for Doubtful Debts	(21,105)	(60,507)
GST Receivable	<u>157,645</u>	<u>92,697</u>
	<u><u>2,706,187</u></u>	<u><u>3,235,069</u></u>
<b>Non-Current</b>		
Rates Outstanding - Pensioners	<u>37,994</u>	<u>35,375</u>
	<u><u>37,994</u></u>	<u><u>35,375</u></u>
<b>5. INVENTORIES</b>		
<b>Current</b>		
Fuel and Materials	23,316	27,569
Curtin Kiosk - Stock	3,218	3,498
Curtin Fuel - Stock	0	97,831
Fitzroy Crossing Visitor Centre - Stock	<u>118,784</u>	<u>107,129</u>
	<u><u>145,318</u></u>	<u><u>236,027</u></u>

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings		
Freehold Land at:		
- Cost	<u>467,435</u>	<u>502,435</u>
Total Land	467,435	502,435
Land Vested in and Under Control of Council at:		
- Cost	93,000	0
	560,435	502,435
Buildings at:		
- Cost	29,817,634	30,585,122
Less Accumulated Depreciation	<u>(9,257,027)</u>	<u>(8,931,475)</u>
Total Buildings	20,560,607	21,653,647
Total Land and Buildings	<u>21,121,042</u>	<u>22,156,082</u>
Furniture and Equipment		
- Independent Valuation 2013	60,643	0
- Cost	0	1,064,610
Less Accumulated Depreciation	<u>0</u>	<u>(961,335)</u>
	60,643	103,275
Plant and Equipment - Independent Valuation 2013	2,050,800	0
Plant and Equipment - Management Valuation 2013	635,720	0
Plant and Equipment - Cost	0	4,835,631
Less Accumulated Depreciation	<u>0</u>	<u>(2,998,269)</u>
	2,686,520	1,837,362
Tools - Cost	10,031	10,031
Less Accumulated Depreciation	<u>(10,031)</u>	<u>(10,031)</u>
	0	0
Computer Equipment - Independent Valuation 2013	498,206	0
Computer Equipment - Cost	0	1,474,588
Less Accumulated Depreciation	<u>0</u>	<u>(1,113,976)</u>
	498,206	360,612
Work in Progress - Cost	138,888	0
Less Accumulated Depreciation	<u>0</u>	<u>0</u>
	138,888	0
	<u><b>24,505,299</b></u>	<u><b>24,457,331</b></u>

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

**Plant and Equipment:**

The Shire's Plant and Equipment was revalued at 30 June 2013 by independent and management valuers. The valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy).

The revaluation resulted in an overall increase of \$580,421 in the net value of the Shire's plant and equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(c) for further details) and was recognised as changes on revaluation of non-current assets in the Statement of Comprehensive Income.

**Furniture and Equipment**

The Shire's Furniture and Equipment was revalued at 30 June 2013 by independent valuers. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy).

The revaluation resulted in an overall increase of \$5,579 in the net value of the Shire's furniture and equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(d) for further details) and was recognised as changes on revaluation of non-current assets in the Statement of Comprehensive Income.

**Computer Equipment:**

The Shire's Computer Equipment was revalued at 30 June 2013 by independent valuers. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy).

The revaluation resulted in an overall increase of \$143,259 in the net value of the Shire's computer equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(e) for further details) and was recognised as changes on revaluation of non-current assets in the statement of Comprehensive Income.

**Land - Vested in and under the control of Council:**

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

Under this regulation Crown Reserve 23127, operated as the Derby Golf Club, has been recognised as at 30 June 2013 at a cost of \$93,000.

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

**Movements in Carrying Amounts**

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

	<b>Land \$</b>	<b>Buildings \$</b>	<b>Total Land and Buildings \$</b>	<b>Plant and Equipment (Level 2) \$</b>	<b>Furniture and Equipment (Level 2) \$</b>	<b>Computer Equipment (Level 2) \$</b>	<b>Work in Progress \$</b>	<b>Total \$</b>
Balance as at the beginning of the year	502,435	21,653,647	22,156,082	1,837,361	103,275	360,613	0	24,457,331
Additions	0	240,360	240,360	1,041,478	0	130,811	138,888	1,551,537
(Disposals)	(35,000)	(511,378)	(546,378)	(202,030)	0	0	0	(748,408)
Revaluation - Increments	0	0	0	580,421	5,579	143,259	0	729,259
Reclassification	0	21,792	21,792	(138,888)	(23,845)	0	0	(140,941)
Initial Recognition of assets Due to Changes to Regulations	93,000	0	93,000	0	0	0	0	93,000
Depreciation (Expense)	0	(843,814)	(843,814)	(431,822)	(24,366)	(136,477)	0	(1,436,479)
<b>Carrying amount at the end of year</b>	<b><u>560,435</u></b>	<b><u>20,560,607</u></b>	<b><u>21,121,042</u></b>	<b><u>2,686,520</u></b>	<b><u>60,643</u></b>	<b><u>498,206</u></b>	<b><u>138,888</u></b>	<b><u>24,505,299</u></b>



**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>7. INFRASTRUCTURE</b>		
Roads - Cost	104,680,279	101,306,942
Less Accumulated Depreciation	<u>(69,385,733)</u>	<u>(67,795,446)</u>
	35,294,546	33,511,496
Footpaths - Cost	2,559,671	2,336,561
Less Accumulated Depreciation	<u>(556,317)</u>	<u>(509,323)</u>
	2,003,354	1,827,238
Drainage - Cost	4,712,350	4,608,593
Less Accumulated Depreciation	<u>(2,081,968)</u>	<u>(1,950,291)</u>
	2,630,382	2,658,302
Parks and Reserves - Cost	5,931,013	5,185,884
Less Accumulated Depreciation	<u>(4,665,010)</u>	<u>(4,535,076)</u>
	1,266,003	650,808
Derby Wharf Precint - Cost	3,319,245	3,260,245
Less Accumulated Depreciation	<u>(739,251)</u>	<u>(607,244)</u>
	2,579,994	2,653,001
Airports - Cost	13,258,598	13,212,808
Less Accumulated Depreciation	<u>(13,166,985)</u>	<u>(13,166,984)</u>
	91,613	45,824
Street Furniture - Cost	165,296	165,296
Less Accumulated Depreciation	<u>(108,524)</u>	<u>(100,259)</u>
	56,772	65,037
Work in Progress - Cost	1,237,704	0
Less Accumulated Depreciation	<u>0</u>	<u>0</u>
	1,237,704	0
	<u>45,160,368</u>	<u>41,411,706</u>

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

**7. INFRASTRUCTURE (Continued)**

**Movements in Carrying Amounts**

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

	<b>Roads</b>	<b>Footpaths</b>	<b>Drainage</b>	<b>Land, Parks and Reserves</b>	<b>Derby Wharf Precinct</b>	<b>Airports</b>	<b>Street Furniture</b>	<b>Work in Progress</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at the beginning of the year	33,511,496	1,827,238	2,658,302	650,808	2,653,001	45,824	65,037	0	41,411,706
Additions	3,373,338	223,110	103,757	604,188	59,000	45,789	0	1,237,704	5,646,886
Reclassification	0	0	0	140,941	0	0	0	0	140,941
Depreciation (Expense)	(1,590,288)	(46,994)	(131,677)	(129,934)	(132,007)	0	(8,265)	0	(2,039,165)
<b>Carrying amount at the end of year</b>	<b><u>35,294,546</u></b>	<b><u>2,003,354</u></b>	<b><u>2,630,382</u></b>	<b><u>1,266,003</u></b>	<b><u>2,579,994</u></b>	<b><u>91,613</u></b>	<b><u>56,772</u></b>	<b><u>1,237,704</u></b>	<b><u>45,160,368</u></b>

**SHIRE OF DERBY WEST KIMBERLEY**  
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	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	1,042,478	984,132
Excess Rates Receipts	42,542	69,987
Accrued Interest on Debentures	20,702	9,843
Accrued Salaries and Wages	167,011	188,520
ESL Liability	1,496	670
PAYG Withholding Tax	92,544	87,036
	<u>1,366,773</u>	<u>1,340,188</u>

**9. LONG-TERM BORROWINGS**

**Current**

Secured by Floating Charge Debentures	<u>100,030</u>	<u>184,691</u>
	<u>100,030</u>	<u>184,691</u>

**Non-Current**

Secured by Floating Charge Debentures	<u>2,452,622</u>	<u>2,564,200</u>
	<u>2,452,622</u>	<u>2,564,200</u>

Additional detail on borrowings is provided in Note 20.

**10. PROVISIONS**

Analysis of Total Provisions

**Current**

Provision for Annual Leave	403,143	382,262
Provision for Long Service Leave	<u>226,065</u>	<u>261,298</u>
	<u>629,208</u>	<u>643,560</u>

**Non-Current**

Provision for Long Service Leave	<u>123,693</u>	<u>105,749</u>
	<u>123,693</u>	<u>105,749</u>

	<b>Provision for Annual Leave \$</b>	<b>Provision for Long Service Leave \$</b>	<b>Total \$</b>
Opening balance as at 1 July 2012	382,262	367,047	749,309
Additional provisions	385,685	122,298	507,983
Amounts used	(364,804)	(139,587)	(504,391)
Balance at 30 June 2013	<u>403,143</u>	<u>349,758</u>	<u>752,901</u>

**SHIRE OF DERBY WEST KIMBERLEY**  
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	2013 Actual \$	2013 Budget \$	2012 Actual \$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Employee Leave Entitlements Reserve</b>			
Opening Balance	258,786	258,786	215,151
Amount Set Aside / Transfer to Reserve	110,941	112,351	43,635
Amount Used / Transfer from Reserve	0	0	0
	<u>369,727</u>	<u>371,137</u>	<u>258,786</u>
<b>(b) Airport Reserve</b>			
Opening Balance	159,709	159,709	126,005
Amount Set Aside / Transfer to Reserve	56,090	57,388	58,204
Amount Used / Transfer from Reserve	(43,000)	(43,000)	(24,500)
	<u>172,799</u>	<u>174,097</u>	<u>159,709</u>
<b>(c) Plant Reserve</b>			
Opening Balance	59,413	59,413	215,355
Amount Set Aside / Transfer to Reserve	437,435	257,377	12,825
Amount Used / Transfer from Reserve	0	0	(168,767)
	<u>496,848</u>	<u>316,790</u>	<u>59,413</u>
<b>(d) Office and Depot Equipment Reserve</b>			
Opening Balance	8,841	8,841	55,534
Amount Set Aside / Transfer to Reserve	20,574	20,754	3,307
Amount Used / Transfer from Reserve	0	0	(50,000)
	<u>29,415</u>	<u>29,595</u>	<u>8,841</u>
<b>(e) Historical Reserve</b>			
Opening Balance	30,891	30,891	29,154
Amount Set Aside / Transfer to Reserve	1,162	1,236	1,737
Amount Used / Transfer from Reserve	0	0	0
	<u>32,053</u>	<u>32,127</u>	<u>30,891</u>
<b>(f) Derby Wharf Maintenance Reserve</b>			
Opening Balance	293,734	293,734	178,960
Amount Set Aside / Transfer to Reserve	112,255	113,749	164,774
Amount Used / Transfer from Reserve	0	0	(50,000)
	<u>405,989</u>	<u>407,483</u>	<u>293,734</u>
<b>(g) Economic Development Promotions Reserve</b>			
Opening Balance	17,160	17,160	16,195
Amount Set Aside / Transfer to Reserve	645	686	965
Amount Used / Transfer from Reserve	0	0	0
	<u>17,805</u>	<u>17,846</u>	<u>17,160</u>

**SHIRE OF DERBY WEST KIMBERLEY**  
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	2013 Actual \$	2013 Budget \$	2012 Actual \$
<b>11. RESERVES - CASH BACKED (Continued)</b>			
<b>(h) Visitor Centre Reserve</b>			
Opening Balance	0	0	1,441
Amount Set Aside / Transfer to Reserve	0	0	45
Amount Used / Transfer from Reserve	0	0	(1,486)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(i) Staff Housing Reserve</b>			
Opening Balance	229,819	229,819	119,933
Amount Set Aside / Transfer to Reserve	666,503	672,193	109,886
Amount Used / Transfer from Reserve	0	(900,000)	0
	<u>896,322</u>	<u>2,012</u>	<u>229,819</u>
<b>(j) Fitzroy Crossing Recreation Hall Reserve</b>			
Opening Balance	40,260	40,260	37,997
Amount Set Aside / Transfer to Reserve	1,514	1,610	2,263
Amount Used / Transfer from Reserve	0	0	0
	<u>41,774</u>	<u>41,870</u>	<u>40,260</u>
<b>(k) Capital Works/Buildings Reserve</b>			
Opening Balance	139,863	139,863	132,001
Amount Set Aside / Transfer to Reserve	410,097	311,594	7,862
Amount Used / Transfer from Reserve	0	0	0
	<u>549,960</u>	<u>451,457</u>	<u>139,863</u>
<b>(l) Aboriginal Environmental Health Reserve</b>			
Opening Balance	101,101	101,101	95,418
Amount Set Aside / Transfer to Reserve	3,802	4,044	5,683
Amount Used / Transfer from Reserve	0	0	0
	<u>104,903</u>	<u>105,145</u>	<u>101,101</u>
<b>(m) Energy Developments Ltd West Kimberley Community Donations Reserve</b>			
Opening Balance	410,977	410,977	0
Amount Set Aside / Transfer to Reserve	14,487	16,440	410,977
Amount Used / Transfer from Reserve	(79,886)	(79,886)	0
	<u>345,578</u>	<u>347,531</u>	<u>410,977</u>
<b>TOTAL CASH BACKED RESERVES</b>	<b><u>3,463,173</u></b>	<b><u>2,297,090</u></b>	<b><u>1,750,554</u></b>

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

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

**SHIRE OF DERBY WEST KIMBERLEY  
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**11. RESERVES - CASH BACKED (Continued)**

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

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

Employee Leave Entitlements Reserve - to be used to fund annual and long service leave requirements.

Airport Reserve - to be used to fund Airport capital works, principally bitumen resealing.

Plant Reserve - for the replacement of major plant as per Council's Plan for the Future of the District.

Office and Depot Equipment Reserve - for the replacement of office and depot equipment as per Council's Plan for the Future of the District.

Historical Reserve - to be used for history related works.

Derby Wharf Major Maintenance Reserve - to be used to carry out major Wharf maintenance.

Economic Development Promotions Reserve - to promote economic development within the Shire.

Visitors Centre Reserve - Council's contribution towards the development of a Visitors Centre in Derby.

Staff Housing Reserve - to be used for the construction of staff housing.

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.

Capital Works/Buildings Reserve - to help with the construction/maintenance of major capital works.

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.

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.

**SHIRE OF DERBY WEST KIMBERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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<b>12. RESERVES - ASSET REVALUATION</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:		
(a) <b>Land</b>		
Opening balance	0	0
	<u>0</u>	<u>0</u>
(b) <b>Buildings</b>		
Opening Balance	0	0
	<u>0</u>	<u>0</u>
(c) <b>Plant &amp; Equipment</b>		
Opening Balance	0	0
Revaluation Increment	580,421	0
	<u>580,421</u>	<u>0</u>
(d) <b>Furniture &amp; Equipment</b>		
Opening Balance	0	0
Revaluation Increment	5,579	0
	<u>5,579</u>	<u>0</u>
(e) <b>Computer Equipment</b>		
Opening Balance	0	0
Revaluation Increment	143,259	0
	<u>143,259</u>	<u>0</u>
<b>TOTAL ASSET REVALUATION RESERVES</b>	<b><u>729,259</u></b>	<b><u>0</u></b>

**Prior Period Correction**

Asset Revaluation reserves arose on initial revaluation of asset classifications in prior years as follows:

Land	248,283
Buildings	<u>8,043,906</u>
	<u>8,292,189</u>

In 2012 (and Previous years), this balance was disclosed as part of the Asset Revaluation Reserve balance despite the Council resolving to revert to deemed cost in accordance with the transition to IFRS effective 1 July 2004. At the time of reverting to deemed cost the Land and Buildings Asset Revaluation Reserves should have been transferred to Retained Surplus.

Balances relating to the 2012 comparative year have been amended due to correction of the prior period error. This error has been adjusted in accordance with the requirements of AASB 101 as shown below.

<b>Effect of the Above:</b>	<b>Original Balance</b>	<b>Amount of Adjustment</b>	<b>Adjusted Balance</b>
<b>Statement of Financial Position</b>			
Retained Surplus	63,221,923	8,292,189	71,514,112
Asset Revaluation Reserves	8,292,189	(8,292,189)	0
<b>Statement of Changes in Equity</b>			
Retained Surplus	63,221,923	8,292,189	71,514,112
Asset Revaluation Reserves	8,292,189	(8,292,189)	0

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

**(a) Reconciliation of Cash**

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

	<b>2013</b> \$	<b>2013</b> Budget \$	<b>2012</b> \$
Cash and Cash Equivalents	<u>10,099,921</u>	<u>1,577,845</u>	<u>8,727,546</u>

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

Net Result	3,988,836	4,587,218	7,298,774
Amortisation	0	0	0
Depreciation	3,475,644	3,330,545	3,692,671
(Profit)/Loss on Sale of Asset	52,683	(243,075)	(81,028)
(Increase)/Decrease in Receivables	605,358	816,000	942,285
(Increase)/Decrease in Inventories	90,709	90,900	(171,395)
Increase/(Decrease) in Payables	(52,508)	357,864	(1,524,523)
Increase/(Decrease) in Employee Provisions	3,590	46,900	15,549
Grants/Contributions for the Development of Assets	(4,791,162)	(9,761,087)	(7,391,297)
Non-Current Assets recognised due to changes in legislative requirements	<u>(93,000)</u>	<u>0</u>	<u>0</u>
Net Cash from Operating Activities	<u>3,280,150</u>	<u>(774,735)</u>	<u>2,781,036</u>

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

Bank Overdraft limit	150,000	150,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	50,000	50,000
Credit Card Balance at Balance Date	<u>(4,124)</u>	<u>(7,450)</u>
<b>Total Amount of Credit Unused</b>	<u>195,876</u>	<u>192,550</u>

**Loan Facilities**

Loan Facilities - Current	100,030	184,691
Loan Facilities - Non-Current	<u>2,452,622</u>	<u>2,564,200</u>
<b>Total Facilities in Use at Balance Date</b>	<u>2,552,652</u>	<u>2,748,891</u>

<b>Unused Loan Facilities at Balance Date</b>	<u>0</u>	<u>0</u>
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**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**14. CONTINGENT LIABILITIES**

In 2011/12 Strategic Airlines went into liquidation with the company owing the Shire of Derby West Kimberley \$1,516,731.57. As a result of the liquidation there was no indication that the Council would be able to recover any of the outstanding debt. The debt was subsequently written off. The Administrators Korda Mentha have subsequently advised the Shire that as at the 01 December 2011 Strategic Airlines could have been trading insolvently. Subsequently Korda Mentha have advised the Shire that they are investigating payments totalling \$275,000 that were made to the Shire. The Shire has provided a detailed response to Korda Mentha regarding these payments and are awaiting a response from them.

<b>15. CAPITAL AND LEASING COMMITMENTS</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>(b) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	5,006	7,509
- later than one year but not later than five years	0	5,006
- later than five years	0	0
	<u>5,006</u>	<u>12,515</u>

**(c) Capital Expenditure Commitments**

Contracted for:		
- capital expenditure projects	5,128,269	1,397,386
Payable:		
- not later than one year	5,128,269	1,397,386

The capital expenditure projects outstanding at the end of the current reporting period represents:

- Design and reconstruction of Runway at Fitzroy Crossing Airport,
- Reconstruction of Taxiway " L " at Curtin Aerodrome,
- Construction of the Derby Jetty Walkway including lighting and pavement works, and
- Renewal of the Fairfield/Leopold Road.

**SHIRE OF DERBY WEST KIMBERLEY**  
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16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY	2013 \$	2012 \$
Governance	490,147	601,116
General Purpose Funding	1,493,183	1,494,203
Law, Order, Public Safety	420,665	331,765
Health	337,375	331,576
Education and Welfare	1,105,744	1,150,846
Housing	2,781,693	2,861,597
Community Amenities	3,169,144	3,105,306
Recreation and Culture	10,316,428	10,823,468
Transport	42,564,977	40,314,079
Economic Services	3,864,759	4,024,446
Other Property and Services	1,725,232	1,781,006
Unallocated	14,385,740	11,283,646
	<u>82,655,087</u>	<u>78,103,054</u>

17. FINANCIAL RATIOS	2013	2012	2011
Current Ratio	3.70	3.48	1.47
Asset Sustainability Ratio	1.67	1.55	0.76
Debt Service Cover Ratio	9.00	9.52	2.79
Operating Surplus Ratio	(0.02)	0.01	(0.10)
Own Source Revenue Coverage Ratio	0.69	0.62	0.75

The above ratios are calculated as follows:

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

**Notes:**

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 121 of this document.

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

**18. TRUST FUNDS**

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

	<b>Balance 1-Jul-12</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>Balance 30-Jun-13</b>
	\$	\$	(\$)	\$
Prepaid/Overpaid Rates	7,018	83	(2,714)	4,387
Deposits - Hall	25,113	42,839	(51,143)	16,809
Deposits - Other	753,716	26,512	(426,651)	353,577
Grants - Other	91	0	0	91
BCTIF Levies	64,446	170,473	(217,366)	17,553
BRB Levies	16,507	75,001	(83,172)	8,336
FX Visitor Centre Tour Groups	65,004	241,815	(288,366)	18,453
Sale of Art	1,270	7,175	(7,131)	1,314
Town Streets Upgrades	333	0	0	333
Cemetery Publications	956	0	0	956
Carparking/Footpath/Town Streets Contributions	251,107	6,474	(11,190)	246,391
	<u>1,185,561</u>			<u>668,200</u>

**SHIRE OF DERBY WEST KIMBERLEY**  
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**19. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Light Vehicles</b>						
Ford Territory Wagon - EMCS 3KW	0	25,198	0	12,000	0	(13,198)
Nissan Patrol T/Back - Ranger 16KW 4x4 - EHO 11KW	0	5,535	0	20,000	0	14,465
Ford Territory Wagon - EMCD 4KW	9,286	9,825	10,227	11,000	941	1,175
Nissan Navara Dual Cab - Ports 7KW	0	0	0	8,000	0	8,000
Toyota Hilux Tray Back - Airport 20KW	0	0	2,727	5,000	2,727	5,000
Ford Ranger 2x4 - Building Surveyor	0	23,082	0	20,000	0	(3,082)
Toyota Prado - EMTDS 2KW	12,051	17,366	29,545	28,000	17,494	10,634
Nissan Patrol T/Back - FX Works KW11	0	17,042	0	20,000	0	2,958
Toyota Hilux Dual Cab - P and G 14KW	0	5,345	0	12,000	0	6,655
Ford Falcon Station Wagon - 3KW	0	2,490	4,364	5,000	4,364	2,510
Toyota Landcruiser Workmate - 5KW	46,645	0	0	0	(46,645)	0
					0	
<b>Major Plant</b>						
Massey Ferguson 42254C	0	0	0	0	0	0
John Deere 6110SE Tractor	0	0	0	15,000	0	15,000
Kubota R420S Front End Loader	0	0	0	25,000	0	25,000
Mitsubishi Fuso 8t Tip Truck	30,806	32,187	63,640	63,640	32,834	31,453
Kubota M6040 DHC Cab Tractor	4,338	0	0	0	(4,338)	0
Mistubishi Fuso FE 84PE6SRFAA	0	0	0	0	0	0
Kubota F3680 Mower and Catcher	8,335	0	0	0	(8,335)	0
Purcher International Fuso	74,518	0	0	0	(74,518)	0
John Deere Tractor 4wd	14,276	0	0	0	(14,276)	0
					0	
<b>Minor Plant</b>						
Kubota Loader/Spray Unit - Road	0	0	0	0	0	0
Self Driven Mower DH GXC390	0	0	0	0	0	0
Plant Flat Top Trailer	0	0	0	0	0	0
Bitumen Spray Unit	0	0	0	0	0	0
Spray Unit - Road Verges	0	0	0	0	0	0
Slasher	0	0	0	0	0	0
Slasher	0	0	0	0	0	0
Bomford Reach Slasher	0	0	0	0	0	0
Trencher Ground Hog 18"	1,775	0	0	0	(1,775)	0
					0	
Lot 8 Clarendon Street - Land and B	478,562	513,495	550,222	650,000	71,660	136,505
Lot 8 Clarendon Street - Airconditioner	35,000	0	35,000	0	0	0
Shed Store- Depot	32,816	0	0	0	(32,816)	0
	748,408	651,565	695,725	894,640	(52,683)	243,075

**SHIRE OF DERBY WEST KIMBERLEY**  
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**20. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal 1-Jul-12 \$	New Loans \$	Principal Repayments		Principal 30-Jun-13		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Housing</b>								
Loan 136 - Staff Housing	230,514		13,140	13,140	217,374	217,374	14,832	14,832
Loan 146 - Staff Housing	887,263		27,559	27,559	859,704	859,704	68,129	56,228
Loan 148 - Staff Housing	400,000		12,697	12,697	387,303	387,303	18,053	18,053
<b>Recreation and Culture</b>								
Loan 135 - Civic Centre Renovations	232,455		33,737	22,189	198,718	210,266	17,109	11,716
Loan 137 - Civic Centre Renovations	5,594		5,594	5,594	(0)	0	259	259
Loan 139 - Swimming Pool Shade Sails	6,734		6,734	6,734	(0)	0	312	312
Loan 141 - Oval Lights	27,972		27,972	27,972	0	0	1,297	1,297
<b>Transport</b>								
Loan 144 - Fitzroy Crossing Airport Reseal	65,314		14,849	14,849	50,465	50,465	3,798	3,721
Loan 145 - Wharf Fenders and Boat Ramp	369,684		14,725	14,725	354,959	354,959	25,416	25,416
<b>Economic Services</b>								
Loan 149 - Derby Visitors Centre	500,000		15,871	15,871	484,129	484,129	22,567	22,567
<b>Other Property and Services</b>								
Loan 140 - Dev Services Office Air Con	7,552		7,552	7,552	(0)	0	350	350
Loan 142 - Caterpillar Backhoe Loader	9,064		9,064	9,064	0	0	425	425
Loan 143 - Kubota Front End Loader	6,745		6,745	6,745	0	0	317	317
	2,748,891	0	196,239	184,691	2,552,652	2,564,200	172,864	155,493

(\*) Self supporting loan financed by payments from third parties.  
All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2012/13

No new Debentures were raised in the 2012/13 Financial Year.

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

**20. INFORMATION ON BORROWINGS (Continued)**

(c) Unspent Debentures

<b>Particulars</b>	<b>Date Borrowed</b>	<b>Balance 1-Jul-12 \$</b>	<b>Borrowed During Year \$</b>	<b>Expended During Year (\$)</b>	<b>Balance 30-Jun-13 \$</b>
Loan 148 - Staff Housing	29-Jun-12	400,000	0	0	400,000
		400,000	0	0	400,000

(d) Overdraft

Council established an overdraft facility of \$150,000 in 2008 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2012 and 30 June 2013 was \$Nil.

**SHIRE OF DERBY WEST KIMBERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Total Revenue \$	Budget Rate Revenue \$	Budget Total Revenue \$
<b>Differential General Rate</b>							
GRV Residential	8.8084	1,160	26,423,838	2,327,517	2,327,517	2,327,518	2,327,518
GRV Commercial	8.8084	106	7,098,567	625,270	625,270	625,270	625,270
GRV Industrial	8.8084	65	2,358,928	207,784	207,784	207,784	207,784
GRV Special Rural	8.8084	10	164,660	14,504	14,504	14,504	14,504
GRV Other Locations	8.8084	4	85,060	7,492	7,492	7,492	7,492
UV Residential	17.1920	2	75,000	12,898	12,898	12,898	12,898
UV Commercial	17.1972	1	75,000	12,898	12,898	12,898	12,898
UV Mining	21.2265	174	6,178,090	1,311,392	1,311,392	1,311,392	1,311,392
UV Pastoral	3.4635	39	22,659,277	784,804	784,804	784,804	784,804
UV Islands	17.1972	1	175,000	30,095	30,095	30,095	30,095
UV Other Locations	17.1972	6	155,500	26,742	26,742	26,742	26,742
UV Concessions Raised	17.1972	3	675,000	116,081	116,081	116,081	116,081
<b>Sub-Totals</b>		1,571	66,123,920	5,477,477	5,477,477	5,477,478	5,477,478
<b>Minimum Rates</b>	<b>Minimum \$</b>						
GRV Residential	805	139	671,067	111,895	111,895	111,895	111,895
GRV Commercial	805	9	52,581	7,245	7,245	7,245	7,245
GRV Industrial	805	3	20,030	2,415	2,415	2,415	2,415
GRV Special Rural	805	6	48,500	4,830	4,830	4,830	4,830
GRV Other Locations	805	2	15,400	1,610	1,610	1,610	1,610
UV Mining	805	89	100,579	71,645	71,645	71,645	71,645
UV Pastoral	805	6	70,200	4,830	4,830	4,830	4,830
<b>Sub-Totals</b>		254	978,357	204,470	204,470	204,470	204,470
					5,681,947		5,681,948
Interim Rates					19,581		25,000
Concessions					(132,746)		(132,746)
Movement in Rates Provision					101,961		0
Rates Write Off					0		(10,000)
Discounts					(58,888)		(60,000)
<b>Total Amount Raised from General Rate</b>					5,611,855		5,504,202

**SHIRE OF DERBY WEST KIMBERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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

(b) Information on Surplus/(Deficit) Brought Forward	<b>2013</b> <b>(30 June 2013</b> <b>Carried</b> <b>Forward)</b> \$	<b>2013</b> <b>(1 July 2012</b> <b>Brought</b> <b>Forward)</b> \$	<b>2012</b> <b>(30 June 2012</b> <b>Carried</b> <b>Forward)</b> \$
<b>Surplus/(Deficit) - Rate Setting Statement</b>	<u>5,015,344</u>	<u>5,264,216</u>	<u>5,264,216</u>
<b><u>Comprises:</u></b>			
Cash - Unrestricted	3,378,713	3,171,692	3,171,692
Cash - Restricted	6,721,208	5,555,854	5,555,854
Rates - Current	490,147	692,003	692,003
Sundry Debtors	2,058,395	2,450,369	2,450,369
GST Receivable	157,645	92,697	92,697
Inventories - Fuel and Materials	145,318	236,027	236,027
<b>Less:</b>			
Reserves - Restricted Cash			
Employee Leave Entitlements Reserve	(369,727)	(258,786)	(258,786)
Airport Reserve	(172,799)	(159,709)	(159,709)
Plant Reserve	(496,848)	(59,413)	(59,413)
Office and Depot Equipment Reserve	(29,415)	(8,841)	(8,841)
Historical Reserve	(32,053)	(30,891)	(30,891)
Derby Wharf Maintenance Reserve	(405,989)	(293,735)	(293,734)
Economic Development Promotions Reserve	(17,805)	(17,160)	(17,160)
Staff Housing Reserve	(896,322)	(229,819)	(229,819)
Capital Works/Buildings Reserve	(549,960)	(139,863)	(139,863)
Fitzroy Crossing Recreation Hall Reserve	(41,774)	(40,260)	(40,260)
Aboriginal Environmental Health Reserve	(104,903)	(101,101)	(101,101)
Energy Developments Ltd West Kimberley	(345,578)	(410,977)	(410,977)
Unspent Grants	(2,706,135)	(3,443,685)	(3,443,685)
Unspent Loans	(400,000)	(400,000)	(400,000)
Sundry Creditors	(1,042,479)	(984,131)	(984,132)
Excess Rates Receipts	(42,542)	(69,987)	(69,987)
Accrued Interest on Debentures	(20,702)	(9,843)	(9,843)
Accrued Salaries and Wages	(167,011)	(188,520)	(188,520)
ESL Liability	(1,496)	(670)	(670)
PAYG Withholding Tax	(92,544)	(87,035)	(87,035)
<b>Surplus/(Deficit)</b>	<u><u>5,015,344</u></u>	<u><u>5,264,216</u></u>	<u><u>5,264,216</u></u>

**Difference:**

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



**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

No Specified Area Rates were raised during the 2012/13 financial year.

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

No Service Charges were raised during the 2012/13 financial year.

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	2.00%	58,888	60,000
Rate Assesments	Concessions	N/A	132,746	132,746
Rate Assesments	Write Off	N/A	0	10,000
Staff Discounts on Recreation Facilities	Discounts	50.00%	657	0
Landing Fees July to June	Waiver	NA	22,843	0
Facilities Use - Community Organisation	Waiver	NA	1,832	0
			<b>216,966</b>	<b>202,746</b>

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.

In an endeavor 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.

Landing fees 100% waive was introduced for the royal flying doctor service. This is an essential service for the Shire of Derby West Kimberley and the waiving of landing fees for this not for profit organisation was approved.

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

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

	<b>Interest Rate %</b>	<b>Admin. Charge \$</b>	<b>Revenue \$</b>	<b>Budgeted Revenue \$</b>
Interest on Unpaid Rates	11.00%	7,544	103,216	80,000
Interest on Unpaid ESL	11.00%		2,377	1,500
Interest on Instalments Plan	5.50%		20,054	16,000
Charges on Instalment Plan		8	7,544	7,000
			<b>133,191</b>	<b>104,500</b>

Ratepayers had the option of paying rates in four equal instalments, due on 17 September 2012, 19 November 2012, 21 January 2013 and 25 March 2013. Administration charges and interest applied for the final three instalments.

<b>26. FEES AND CHARGES</b>	<b>2013 \$</b>	<b>2012 \$</b>
Governance	31,168	19,709
General Purpose Funding	16,454	15,483
Law, Order, Public Safety	9,029	11,774
Health	30,394	39,909
Education and Welfare	17,645	16,183
Housing	62,704	125,076
Community Amenities	1,834,597	2,132,498
Recreation and Culture	175,829	173,653
Transport	3,215,413	5,053,124
Economic Services	224,353	212,267
Other Property and Services	31,890	36,011
	<u>5,649,476</u>	<u>7,835,687</u>

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

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

**27. GRANT REVENUE**

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	5,769,717	8,549,904
Non-Operating Grants, Subsidies and Contributions	4,314,855	6,457,313
	<u>10,084,572</u>	<u>15,007,217</u>
<b>By Program:</b>		
Governance	30,079	477,500
General Purpose Funding	4,507,751	7,902,527
Law, Order, Public Safety	60,680	78,266
Health	541,101	344,396
Education and Welfare	479,061	416,586
Housing	0	0
Community Amenities	0	0
Recreation and Culture	188,362	412,433
Transport	4,269,528	5,170,048
Economic Services	0	200,004
Other Property and Services	8,010	5,457
	<u>10,084,572</u>	<u>15,007,217</u>

**28. ELECTED MEMBERS REMUNERATION**

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

The following fees, expenses and allowances were paid to Council Members and/or the President.

Meeting Fees	70,000	70,000	67,695
President's Allowance	20,000	12,000	12,000
Deputy President's Allowance	5,000	3,000	3,000
Travelling Expenses	71,072	46,000	51,588
IT and Telecommunications Allowance	30,600	30,600	29,624
Misc Expenses-Insurance,Subscriptions	117,155	104,504	94,498
Receptions/Entertainment/Meals/Refreshments	3,106	29,000	15,198
	<u>316,933</u>	<u>295,104</u>	<u>273,603</u>

**29. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<b>2013</b>	<b>2012</b>
<u>81</u>	<u>79</u>

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

**30. FINANCIAL RISK MANAGEMENT**

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

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

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

The Council held the following financial instruments at balance date:

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	10,099,921	8,727,546	10,099,921	8,727,546
Receivables	<u>2,744,181</u>	<u>3,270,444</u>	<u>2,744,181</u>	<u>3,270,444</u>
	<u><u>12,844,102</u></u>	<u><u>11,997,990</u></u>	<u><u>12,844,102</u></u>	<u><u>11,997,990</u></u>
<b>Financial Liabilities</b>				
Payables	1,366,773	1,340,188	1,366,773	1,340,188
Borrowings	<u>2,552,652</u>	<u>2,748,891</u>	<u>2,552,652</u>	<u>2,748,891</u>
	<u><u>3,919,425</u></u>	<u><u>4,089,079</u></u>	<u><u>3,919,425</u></u>	<u><u>4,089,079</u></u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Investments – based on quoted market prices at the reporting date or at independent valuation
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

**(a) Cash and Cash Equivalents**

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

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

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

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

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	101,000	87,000
- Statement of Comprehensive Income	101,000	87,000

**Notes:**

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

Recent market volatility has seen large market movements for certain types of investments.

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

**30. FINANCIAL RISK MANAGEMENT (Continued)**  
**(b) Receivables**

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

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

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

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

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

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

	<b>2013</b>	<b>2012</b>
Percentage of Rates and Annual Charges		
- Current	1.00%	1.00%
- Overdue	99.00%	99.00%
Percentage of Other Receivables		
- Current	90.00%	55.00%
- Overdue	10.00%	45.00%

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

**(c) Payables  
Borrowings**

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2013</u></b>					
Payables	1,366,773	0	0	1,366,773	1,366,773
Borrowings	<u>257,299</u>	<u>698,385</u>	<u>2,494,657</u>	<u>3,450,341</u>	<u>2,552,652</u>
	<u><u>1,624,072</u></u>	<u><u>698,385</u></u>	<u><u>2,494,657</u></u>	<u><u>4,817,114</u></u>	<u><u>3,919,425</u></u>
<b><u>2012</u></b>					
Payables	1,340,188	0	0	1,340,188	1,340,188
Borrowings	<u>339,501</u>	<u>1,073,187</u>	<u>2,786,577</u>	<u>4,199,265</u>	<u>2,748,891</u>
	<u><u>1,679,689</u></u>	<u><u>1,073,187</u></u>	<u><u>2,786,577</u></u>	<u><u>5,539,453</u></u>	<u><u>4,089,079</u></u>

**SHIRE OF DERBY WEST KIMBERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2013**

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

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

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

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

	<u>&lt;1 year</u>	<u>&gt;1&lt;2 years</u>	<u>&gt;2&lt;3 years</u>	<u>&gt;3&lt;4 years</u>	<u>&gt;4&lt;5 years</u>	<u>&gt;5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
<b><u>Year Ended 30 June 2013</u></b>								
Payables								
Borrowings								
<b>Fixed Rate</b>								
Debentures	0	0	0	50,465	0	2,502,187	2,552,652	5.77%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	6.22%	0.00%	5.69%		
<b><u>Year Ended 30 June 2012</u></b>								
Payables								
Borrowings								
<b>Fixed Rate</b>								
Debentures	0	63,661	0	0	65,314	2,619,916	2,748,891	5.94%
Weighted Average Effective Interest Rate	0.00%	6.05%	0.00%	0.00%	6.22%	5.93%		



**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF DERBY/WEST KIMBERLEY**

**REPORT ON THE FINANCIAL REPORT**

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

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

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

**AUDITOR'S OPINION**

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

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF DERBY/WEST KIMBERLEY (CONTINUED)**

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 62 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
  - i) reasonably calculated; and
  - ii) based on verifiable information.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON  
CHARTERED ACCOUNTANTS

  
GREG GODWIN  
PARTNER

Date: 20 December 2013  
Perth, WA

**SHIRE OF DERBY WEST KIMBERLEY  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2013**

**RATIO INFORMATION**

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>
Asset Consumption Ratio	0.58	N/A	N/A
Asset Renewal Funding Ratio	0.84	N/A	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio  $\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$

Asset Renewal Funding Ratio  $\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

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