



Shire of
Exmouth

Annual Report
2012/13



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CONTENTS

INTRODUCTION	3
THE SHIRE OF EXMOUTH IN FOCUS	4
STRATEGIC DIRECTIONS	5
SHIRE PRESIDENT'S REPORT	7
EXECUTIVE SERVICES	9
CORPORATE SERVICES	15
AVIATION SERVICES	22
COMMUNITY ENGAGEMENT	28
HEALTH & BUILDING	36
TOWN PLANNING	43
ENGINEERING SERVICES	50
STATUTORY REPORTS	56
FINANCIAL SERVICES	61

Introduction

The Shire of Exmouth is an area of 6,261 square kilometres situated on the tip of the North West Cape in Western Australia 1,270 kilometres north of Perth. Our remote town was originally constructed in 1964 as a support town for the United States Naval Communications Station Harold E Holt. Although Exmouth has a resident population of 2,500, in the period April to October the numbers swell to approximately 7,500 with the influx of many tourists that travel north for the beautiful climate and conditions that Exmouth has to offer.



The main local industries include tourism, pastoral, light engineering, building & construction, defence due to the Harold E Holt Military Communications Base and oil & gas due to the various mining companies having Floating Production Storage and Offtake (FPSO) facilities off the North West Cape. The major employers in town are Raytheon and the Department of Defence, the Department of Parks and Wildlife due to the World Heritage listed Ningaloo Reef and Cape Range National Park, the Shire of Exmouth, Exmouth Hospital, Exmouth District High School and the many tourism operators.

Exmouth is one of the few areas in Australia that can boast the Range to Reef experience. The Cape Range National Park, with its spectacular gorges, is nestled on the west coast of the Cape and provides a large variety of camp sites on the coastal fringe of the park. You can hike through walk trails and gorges offering some of the best views in the west, or indulge in relaxing at pristine sandy beaches with crystal clear turquoise waters. Visit the top of the Range to see the sun rise and set over the beautiful beaches that encompass the North West Cape.

The world-heritage listed Ningaloo Marine Park extends 260 kilometres along the west coast of the Cape and provides one of the world's best reef experiences. Accessible directly from the shore, the Ningaloo Reef boasts an abundance of beautiful corals and amazing marine life. Explore the reef by snorkelling, diving or swimming amongst unique and colourful fish, ancient and vibrant corals, inquisitive dolphins, dugongs, turtles and manta rays. Visit at the right time of year and swim alongside the majestic whalesharks as they migrate past the coast. All of the above makes Exmouth a great place to live, work and visit and we encourage everyone to visit our website at www.exmouth.wa.gov.au

The Shire of Exmouth in Focus

Shire Organisational and Management Structure

The Shire of Exmouth is formed under the Local Government Act 1995 and its operations and structures are a reflection of this State Legislation and its associated Regulations. Local Governments are also affected by many other pieces of Legislation which impose both powers and duties which must be carried out.

Members of the community are a vital part of the local government structure. Any member of the public who is an elector of the Shire may be elected a Councillor. Members who have been elected to represent the community meet regularly to make decisions on matters concerning the Council and to provide guidance to the Chief Executive Officer on community priorities and policy.

The Council during the period under review consisted of the following members



Cr C (Turk) Shales
Shire President



Cr S (Stuart) Fitzgerald
Deputy Shire President



Cr R (Ross)
Winzer



Cr G (Graham)
Thompson



Cr M (Mick)
Hood



Cr J (Jon)
Warren

The organisation employs 72 staff which equates to a 67.7 Full Time Equivalent, and is managed by:

Mr Bill Price
Mrs Sue O'Toole
Mr Jenny Kox
Mr Roge Kempe
Mr Rob Manning
Mr Rhassel Mhasho
Mr Keith Woodward

Chief Executive Officer
Executive Manager Corporate Services
Executive Manager Aviation Services
Executive Manager Community Engagement
Executive Manager Health & Building
Executive Manager Town Planning
Executive Manager Engineering Services

Strategic Directions

Introduction

The Shire of Exmouth is experiencing a period of unparalleled growth and development. Planning is also well underway for a next round of upgrades around the Exmouth town centre and our foreshore areas. This will ensure that Exmouth will have a vibrant and contemporary central business district with services for our community and places to meet and recreate.

The Shire's Strategic Community Plan has a strong focus on our community. That is why Council encourages residents and stakeholders to actively participate in the future development of your community and town.

Council is of the view that these plans provide clear focus and direction for the work of the Shire of Exmouth over the coming years and we are confident that this will enable us to achieve our vision:

*~ to support and develop a vibrant, welcoming community
that embraces its past, values its present
and plans for a sustainable future ~*

It is recognised that we need to adopt an integrated and collaborative approach to prepare for, meet and benefit from the opportunities and challenges that face our community. We will therefore endeavour:

- ❖ To provide sustainable management of the organisation
- ❖ To consistently apply the Principles of Good Governance
 - ❖ To communicate effectively
 - ❖ To promote socioeconomic development
 - ❖ To value our environment and heritage

We encourage you to work alongside us in the best interests of current and future generations of the Shire of Exmouth.

The Key Strategic Objectives

The key objectives from the *Shire of Exmouth 10+ Year Strategic Community Plan 2011* are:

Economic

Objective 1: To be a diverse and innovative economy with a range of local employment opportunities.

The Shire of Exmouth is very fortunate to be bounded by World Heritage natural assets, as well as a range of industries including tourism, fisheries, resources, defence and mining which all provide diverse economic opportunities and stable employment.

We will promote growth by ensuring that Exmouth continues to be recognised as an attractive place to live, work and invest. An increase in our population and investment will also pave the way for better education, training and employment opportunities, to help retain our youth in town.

We will implement exceptional planning and ensure that there is adequate consideration of the social and environmental impacts of all future development, in order to achieve balanced growth for our community, whilst also conserving the pristine environment and retaining our local character and relaxed lifestyle.

Environment

Objective 2: To have a balanced respect for our environment and heritage, both natural and built.

The Exmouth community are passionate and proud of their natural environment. As a start, we encourage our community to be more involved in projects such as the Town Centre Revitalisation and the Ningaloo Centre, to instil a greater sense of local pride and make certain we all proudly celebrate our World Heritage status. Our unique environment also presents a tangible prospect for us to be a world class leader in eco-friendly initiatives.

We can work together as a community to all be proud and welcoming ambassadors, and take responsibility for the presentation of our town.

Social

Objective 3: To be a dynamic, passionate and safe community valuing natural and cultural heritage.

Exmouth's small town atmosphere, friendly spirit, relaxed lifestyle and safe community environment are highly regarded by our residents. We need to make sure we continue to provide services and infrastructure which will retain and enhance these highly valued social qualities.

We acknowledge we need to encourage moderate expansion, to improve our local services such as health, aged care and education to meet the expectations of our community.

Civic Leadership

Objective 4: To work together as custodians of now and the future.

We will continue to strive to be forward thinking, have strong representation and provide good leadership. We will also proactively communicate and acknowledge local feedback to ensure the services we deliver are representative of our community's needs.

In addition to focussing on continually improving our quality of service, we will work smarter to leverage partnerships and greater collaboration. We will maximise our efforts and advocate to better represent our region's interests particularly in relation to our environment, as well as continuing to lobby for better services to support our community.

Shire President's Report

I am very pleased to present the 2012/2013 Annual Report for the Shire of Exmouth.

It has now been 3 years since being accepted as a member of the Shire Council, 2 years as your Shire President, and I feel very comfortable with the way forward for our community.

The Tantabiddi Boat Ramp and Toilet Block upgrade has now been completed.

The Lighthouse 100 Year Celebration was a huge success, with the 1912 Themed Lighthouse Ball still being talked about.

Improvements to Town Beach are almost complete with new armoured rock walls in place to protect infrastructure.

A total revitalisation of Federation Park, including the redirection of Payne Street at the rear of the Pool and the completion of the Water Spray Ground has been rolled out in this financial year. I am overwhelmed with the community's response as to how good the result was.

After extensive planning the Nimitz Street Subdivision, after some delays, looks to be certain to start April-May 2014.

The Lefroy Street Affordable Housing project is underway with a significant contribution from Department of Housing.

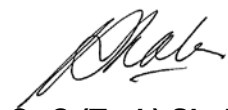
The Marina has had more urgently needed pens introduced however further planning must be done.

Our push to have Defence back in Exmouth has moved a step closer after a very positive meeting with the Defence Minister Hon David Johnston.

In finishing may I again extend a big thank you to the Chief Executive Officer, Bill Price and all his managers and staff of the Shire of Exmouth, whom under his guidance have exceeded all expectations this year, well done to you all.

I would also like to thank my fellow Councillors for a very productive year and look forward to continuing the good work together for the betterment of the Exmouth Community.




Cr C (Turk) Shales
Shire President

Executive Services

Chief Executive Officer

Bill Price

Executive Services Team

Sue O'Toole – Executive Manager Corporate Services
Jenny Kox – Executive Manager Aviation Services
Roge Kempe – Executive Manager Community Engagement
Rob Manning – Executive Manager Health & Building
Rhassel Mhasho – Executive Manager Town Planning
Keith Woodward – Executive Manager Engineering Services
Andrew Forte – Strategic Projects Officer

Brooke Shales – Executive Secretary

Strategic Planning

Governance

Policy

Organisational Development

Economic Development

Executive Services

The purpose of this annual report is to keep Councillors and the community informed on both the operations and accountability of the Shire of Exmouth. The information contained herein provides a detailed description of the finances of the Shire as well as reports of major happenings and activities that have occurred throughout the year.

The Council, I believe was again extremely pro-active during the 2012/13 financial year, undertaking a large cross-section of activities for the future sustainability and wider benefit of the Exmouth community.

The year under review has seen the Council's focus mainly on rolling out the stage 1 of the CBD/Foreshore Revitalisation Project as well as the continuation of extensive planning of major projects that will, once implemented have significant impact on the community well into the future.



A summary of the major planning activities and projects undertaken during the period include:

Strategic Community Planning Process

During the year an '*Integrated Planning Process*' was undertaken by the Council which included the requirement for a new Strategic Community Plan. This document reflects the aspirations and vision of the community.

A Corporate Business Plan has been developed which aligns to the Strategic Community Plan. This will be a working document for Council to use to ensure that the priorities respond to the aspiration of the Strategic Community Plan and that appropriate resources are allocated to these. Congratulations are extended to the Corporate Services department for their professional approach to this.

Population Growth Strategies

Council has continued its planning to meet its aspiration to double the existing permanent population to 5,000 within 10 to 15 year period to safeguard the future sustainability of the town. The Council continues to promote the two strategies that will assist the community in achieving this goal including

1. Defence Force Hub – The Council took the opportunity to provide a submission to the Australian Defence Force (ADF) Posture Review in 2011 proffering Exmouth as the logical location for a permanent defence hub servicing the North West Coast of WA and its significant infrastructure investment in the surrounding area.
2. Exmouth – 'The Lifestyle Choice' – Council have been extremely proactive in marketing Exmouth as a Lifestyle Choice option for families of the burgeoning Resource Sector Industry.

State Infrastructure Projects

Council during the year continually lobbied State Government and associated agencies to have the essential infrastructure projects within Exmouth either expanded, relocated or undergrounded.

1. Exmouth Marina Harbour Expansion – Has been identified by the Council as the highest priority project required by the Community. It is essential that the Marina is upgraded to accommodate the growth potential of industry utilising the facility that will have significant economic and employment knock on effects for the community.
2. Waste Water Treatment Plant (WWTP) – Again is a priority for the Council to have relocated from its existing site to the proposed new site North of the Golf Course. This will allow future developments that were previously effected by a buffer zone surrounding the WWTP as well as increasing overall capacity. It is proposed that the new facility will be operational by 2016.
3. Undergrounding of Power Network – A constant campaign to have the power network included in the Underground Power Program funded by Royalties for Regions (R4R) is advocated by the Council.

Ningaloo Centre Project

The Ningaloo Centre continues to be the landmark project for the Council and has progressed significantly over the year. Council has appointed a Strategic Project Officer in Mr Andrew Forte, to undertake a range of tasks prior to the construction stage.

During the year a preferred builder and architect was selected from a robust tender process undertaken by the Council. From the original 16 EOI's, Matera Constructions and Site Architecture were the winning group. Council were busy during the year securing the additional leveraged funds required for the \$30m project. It is intended that the project be 'spade ready' by the start of the 2014/15 financial year. It will involve an 18 month building timeframe and will be occupied for use in 2016.



Exmouth CBD/Foreshore Revitalisation Project

During the year under review the Council successfully completed the stage 1 construction phase of the CBD/Foreshore Revitalisation Project.

Works included the redirection of Payne Street to the East of the Paltridge Memorial Swimming Pool so that the Federation Park and Swimming Pool could be integrated into one recreational precinct. The undergrounding of the power network within this area was also undertaken. Federation Park was totally refurbished with new facilities such as shade structures, ablutions,

BBQ's, and a large stage for community performances. Significant landscaping with new lawns and flower beds were also installed. The jewel of the redevelopment was the construction of an Exmouth themed Water Spray Park which has been hugely welcomed by young families. Well done to the Council staff who were heavily involved and took real ownership for this project.

Seawalls were also installed in front of the Yacht Club and Town Beach Carpark to protect this infrastructure from future storm surges.

Council intend to commence implementation of stage 2 during the 2013/14 financial year which will involve the redevelopment of the Thew, Kennedy & Learmonth Streets precincts. It will involve the undergrounding of power, reconstruction of streets that will include the linking of Thew Street to Learmonth Street, development of the Kennedy Street Carpark area, and the extension of the Ross Street Mall.



Exmouth Town Planning Scheme

The Planning Department of Council were successful in obtaining funding assistance to undertake a major review of the Exmouth Town Planning Scheme (TPS) during the 2013/14 financial year. With the existing TPS being 13 years old a new Scheme is critical to the planning and future development of the Exmouth community.

Tantabiddi Boat Ramp

This project included the installation of two new ramps with associated rock armouring and finger jetties. The project was completed under budget so the remaining funds were utilised to construct new ablution facilities as well as a rework of the parking facilities at the site.

Learmonth Airport

Council continue to operate the Learmonth Airport and Heliport to an extremely high standard thanks largely to the effort of the management and personnel employed at the facility. Upgrades to the facility are ongoing which continue to improve the visitation experience for commuters.

Council were extremely pleased that during the year under review the Learmonth Airport was announced the *2012 Winner of the Australian Airports Association Industry Award 'Regional Airport of the Year (50,000-499,999 passengers)'* in recognition of successful their Heliport Operations.

Vlamingh Head 100 Year Celebrations

In what was one of the best community functions held for years was the successful 100 year celebration of the Vlamingh Head Lighthouse. The event was extremely well attended and the range of activities was enjoyed immensely by all those that attended. A special mention to the community engagement staff and associated volunteers who made the event such a success.



Looking Ahead

I believe Exmouth will continue to experience exciting development opportunities in the future and it will be critical that Council manages this potential development effectively to ensure that it both benefits and is sustainable to the Exmouth community whilst not impinging on the environmental and lifestyle experience that Exmouth stands for. Having said all this, I am extremely confident that with the experience and competence of elected members and staff that Council will continue to represent the community effectively during this testing period.

I would like to take this opportunity to express my appreciation to the Council for their excellent leadership and Council staff who have committed themselves industriously for the benefit of the community and I look forward to a successful working relationship into the future.

Council Meeting Dates

The Councillors meet regularly to discuss matters requiring decision and consideration. These meetings are held at 3.00pm on the third Thursday of every month. These Council meetings are governed by Regulations and Standing Orders.

A Council Agenda Briefing Session is held on the Tuesday before the monthly Ordinary Council meeting. These Briefing sessions enable Councillors to be regularly briefed on current matters and to enable Councillors to discuss matters other than those listed on the Council Agenda.

Election Dates

Elections are held for the position of Councillor in October every second year. The next ordinary election is due to be held on October 2013.

Access to the Decision Making Process

The Council has various powers and obligations under legislation which requires it to make decisions on a regular basis. As the position is not full time, the Councillors rely upon the staff to collect, collate and provide advice on decisions which they must make. The decision making process usually follows the following broad outline:

- Applications to the Council Staff or correspondence to the Council.
- Preparation of an Officers Report including an Officers recommendation to Council.
- Presentation of the recommendation to the Council in a meeting agenda document.
- A Council Meeting at which a decision is made.
- Minutes of the meeting are prepared.
- The applicant is advised of the decision by the staff (in writing if appropriate)

If you have an interest in a matter that is due to be considered by the Council you have a number of avenues by which you can have access to, and review, the decision making process. These are as follows:

Prior to the Meeting

You may contact the Council staff and be informed about meeting dates, legislative requirements, and Council policy and seek their advice on the application requirements.

The Councillors receive an agenda the week before the scheduled Council meeting. This agenda sets out the issues to be considered at the meeting and contains recommendations from the staff to the Councillors. This agenda is available for you to inspect, and take copies, at the Office, at any time after it has been sent to the Councillors.

Councillors are your representatives and you may contact them directly before the meeting.

At the Meeting

Council meetings are open to the public. Anyone may attend. Agenda documents will be available at the meeting or on-line and you will be provided the opportunity to ask questions. This question time is at the commencement of the meeting and up to 15 minutes is allocated.

After the Meeting

Minutes of the meeting are required to be produced at least two weeks after the meeting date. In the case of the Shire of Exmouth, minutes are usually available at the Counter and Shire website within 7 working days after the meeting.

Persons requiring the issue of monthly minutes of Council Meetings have the option of purchasing them for an annual fee, or downloading them from the Shire website www.exmouth.wa.gov.au when they are available.



Corporate Services

Executive Manager Corporate Services

Sue O'Toole

Corporate Services Team

Vanessa Volkoff – Administration Manager

Erin Wood – Administration Officer

Michelle Head – Administration Officer

Sharlene Williams – Administration Officer

Karen Holmes – Administration Officer

DurgaOjha – Senior Finance Officer

Sara Bailey – Finance Officer

Maureen Graham – Centrelink Officer

Jasmine Rohan – Centrelink Officer

Administration Services

Financial Services

Records Management & Information Systems

Insurance & Risk Management

Cemetery

Aged Care facilities

Centrelink Agency

Corporate Services

The 2012/13 Financial Year was a busy year for Corporate Services, with the rollout of the integrated planning and reporting requirements as well as implementing many improvements to our records management system, in particular, archiving and disposal of records.

Management and monitoring of Council's leased properties continues and during 2012/13 Administration initiated 3 new leases, 3 leases were ceased and 4 Deeds of Extension were renegotiated.

Community Donations/Assistance

Council provided donations, fee-waivers and in-kind assistance to various community groups during the year, which included:

Donation Recipient	Amount \$
EDHS Chaplaincy Program	3,000
Exmouth Bowling Club	891
Exmouth Community Resource Centre	100
Exmouth District High School	627
Exmouth Eagles Junior Football Club	500
Exmouth Golf Club	1,420
Exmouth PCYC	1,909
Exmouth Police Station	3,558
Exmouth Sea Rescue	400
Exmouth Senior Citizens	310
Exmouth Whale Shark Festival	3,038
Revise WA	200
RFDS (Landing Fees)	17,744
St Johns Ambulance	250
TURA Music Festival	819
Variety Bash	387
In Kind Works	2,648
TOTAL	37,801

Aged Care Facilities

Corporate Services manages 34 aged person units located at Stokes-Hughes Street Exmouth. These units are popular with an occupancy rate of 100% and Administration maintains a waiting list for prospective tenants. During 2012/13, 3 Units were vacated and were filled immediately.

December 2012 saw Corporate Service Officers host a morning tea for the residents at Aged Persons Homes to provide an opportunity for residents to get together to discuss any issues regarding maintenance, billing procedures etc. The morning tea was a great success with most residents attending and Corporate Services hopes this will be an ongoing annual event.

Cemeteries

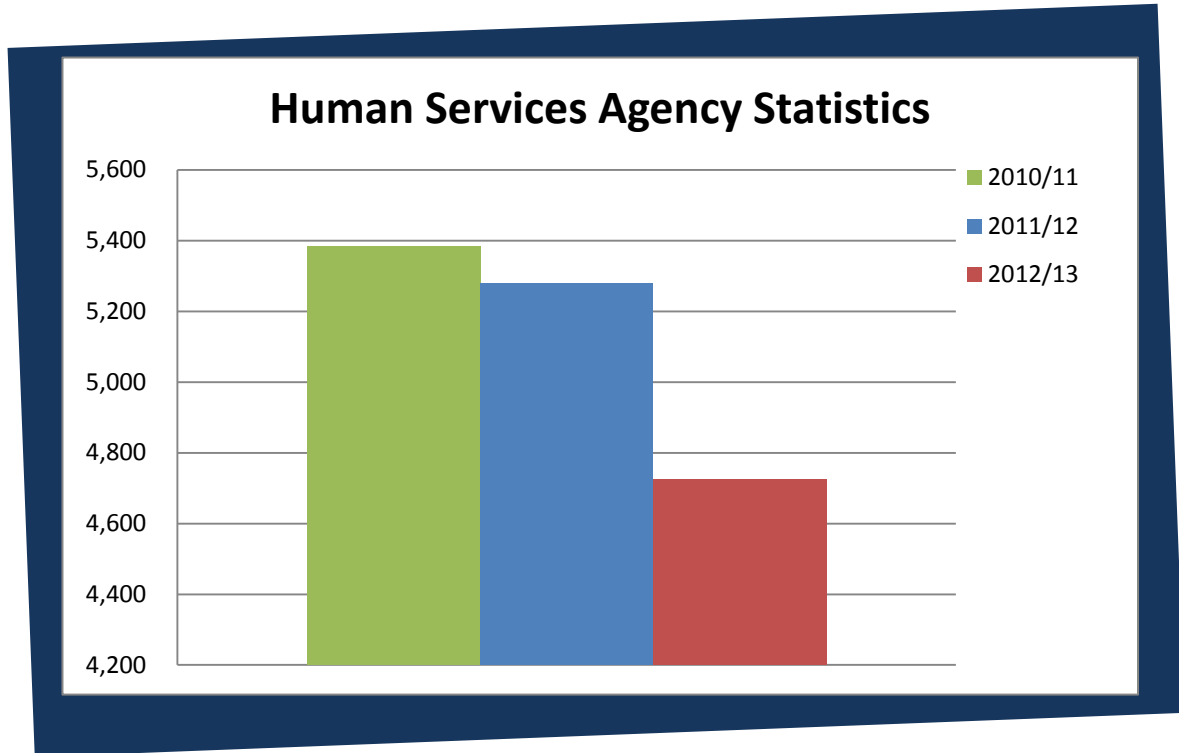
A guide to the Exmouth Public Cemetery was published in early 2008 and it assists on an ongoing basis in the process of arranging a suitable grave or niche memorial.

Digital photos of each headstone and niche plaque are now captured and held within our cemetery register. This provides a useful source of information and for genealogical purposes, so when a request is received from the public, we can retrieve the relevant information quickly.

Human Services (formerly Centrelink Agency)

The agency continues to provide a limited service to recipients of health, social and welfare payments. The centre operates from 9am to 11:30am Monday to Friday.

During 2012/13 1,533 forms were lodged on behalf of the public and staff responded to 1,926 general enquiries. The centre also assists with referrals to the call centre as well as use of the computer equipment.



Comparing statistics from previous years show figures are lower than 2011/12 and this is partly due to the decrease in hours of operation as well as a rise in the number of customers utilising the Human Services website.

Human Resources

As at 30 June 2013, the Shire has a workforce of approximately 72 staff (permanent full time and part-time, contract and casuals), equivalent of 67.7 full time employees (FTE). During 2012/13 there were 16 resignations with a turnover rate of 22%.

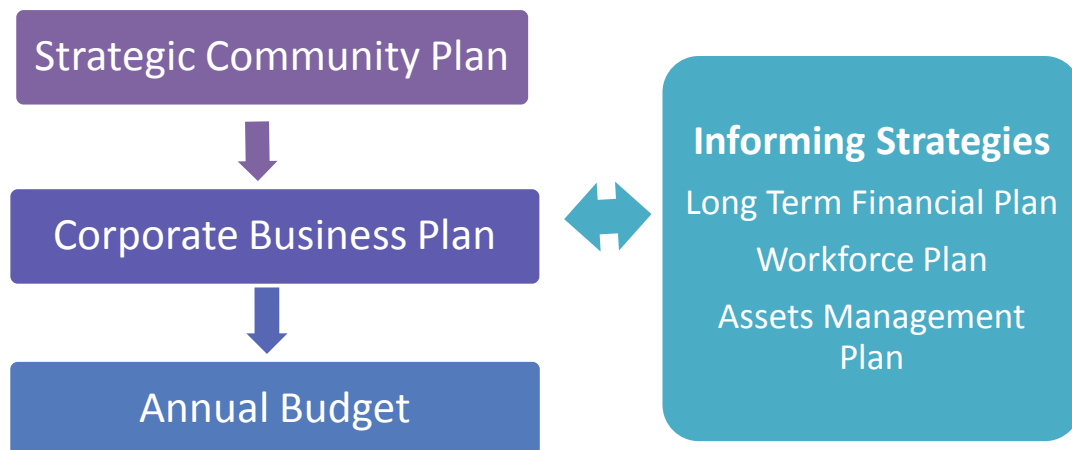
This is only slightly higher from the previous year that had a turnover rate of 20%.

Integrated Planning and Reporting

In August 2010 the Minister for Local Government introduced Integrated Planning and Reporting reforms, a new approach to how councils develop their budgets and corporate plans. Integrated Planning ensures that councils better reflect community aspirations within their activities by taking a long term (10 year) outlook. It is based around a community Strategic Plan which must reflect these aspirations.

The Strategic Community Plan was adopted by Council in 2011 and a strategic review is scheduled in 2013 with a full review to be scheduled in 2015.

Integrated Planning and Reporting Framework



During 2012/13, Council completed the informing strategies that are the elements of the integrated planning framework; Corporate Business Plan, Workforce Plan, Asset Management Plan and Long Term Financial Plan.

- **A Corporate Business Plan** was developed by Council Officers detailing the specific actions, priorities, projects, services and activities that council will undertake in response to the aspirations and objectives stated in the Strategic Community Plan. The Plan includes resources (human and financial) to achieve each strategy and will act as an organisational guide to Council and management.

The plan is for a minimum of 4 years and will be used in future Annual Reports detailing our progress in achieving each of the strategies.

- **A Workforce Plan** was developed by Bandt Gatter & Associates, consultants to perform a review of council's workforce that demonstrates we will have a sustainable workforce for the future that will support the organisational requirements.

This plan will be reviewed every four years to ensure the workforce required is budgeted for in the Corporate Business Plan and the Long Term Financial Plan.

- **An Asset Management Plan** was developed by consultants, UHY Haines Norton and it will be used to demonstrate acquiring and maintaining assets at the required level of service to the community in the most cost effective manner within accepted resource constraints.

The plan will allow us to progressively develop asset management systems for all Council assets and the aim of this is to utilise this planned approach to influence the annual budget cycle.

- **A Long Term Financial Plan (LTFP)** was developed by consultants, UHY Haines Norton and will serve an important function in Council's strategic planning process.

The LTFP is a tool to test the community's aspirations and goals against financial realities and will be used to inform decision making during the review of the Corporate Business Plan.

This plan will be reviewed each year when developing the annual budget.

Financial Report Summary

The Financial Report is for the period 1 July 2012 to 30 June 2013 and provides an overview of Council's financial management and performance.

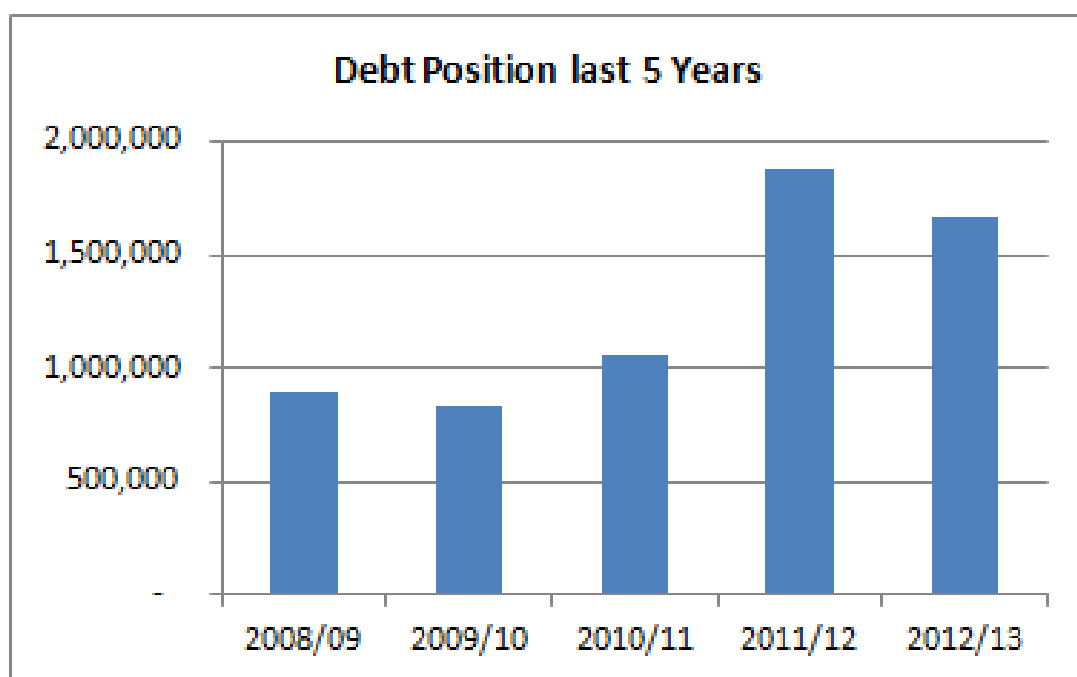
Summary of Revenue and Expenses:

	2012/13	2011/12	2010/11
	\$	\$	\$
Operating Revenue	14,677,584	13,172,075	10,201,254
Operating Expenditure	(15,116,344)	(11,705,035)	(9,640,558)
Capital Works: Buildings & Infrastructure	(10,889,960)	(2,818,831)	(1,435,717)
Non Operating Grants	4,910,840	6,102,016	1,032,157

Council reported a surplus of \$2,451,204 for 2012/13, and this includes 50% of the 2013/14 Financial Assistance Grant (FAGS) allocation paid by the Federal Government in June 2013 of \$948,700.

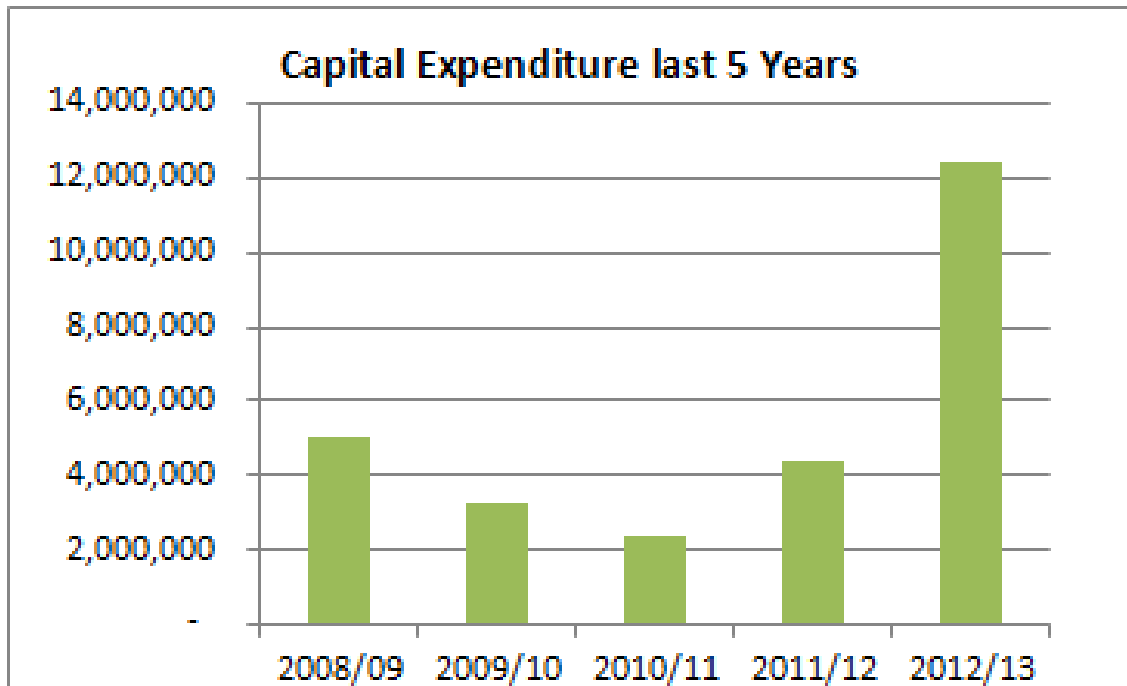
Borrowings

Council is easily servicing its debt with principal repayments representing 13% of the debt servicing obligation during 2012/13. There were no borrowings during the financial year and Council is capable of increasing its borrowing level should the need for capital replacement be required.

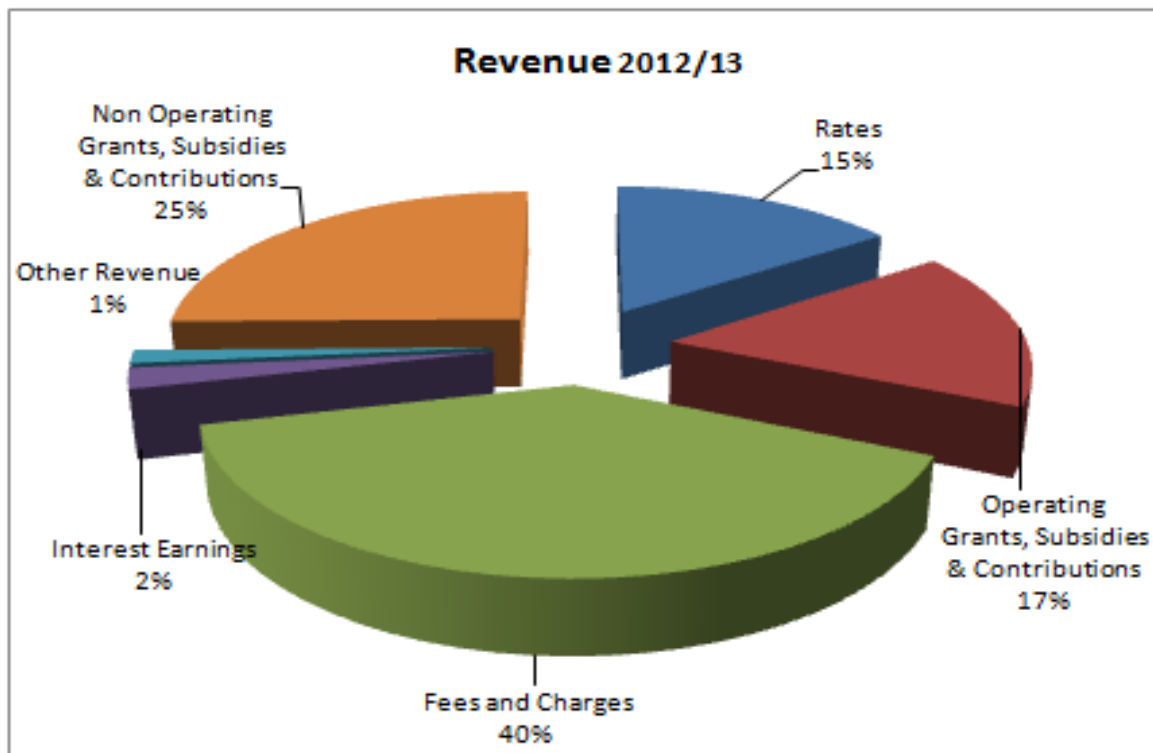


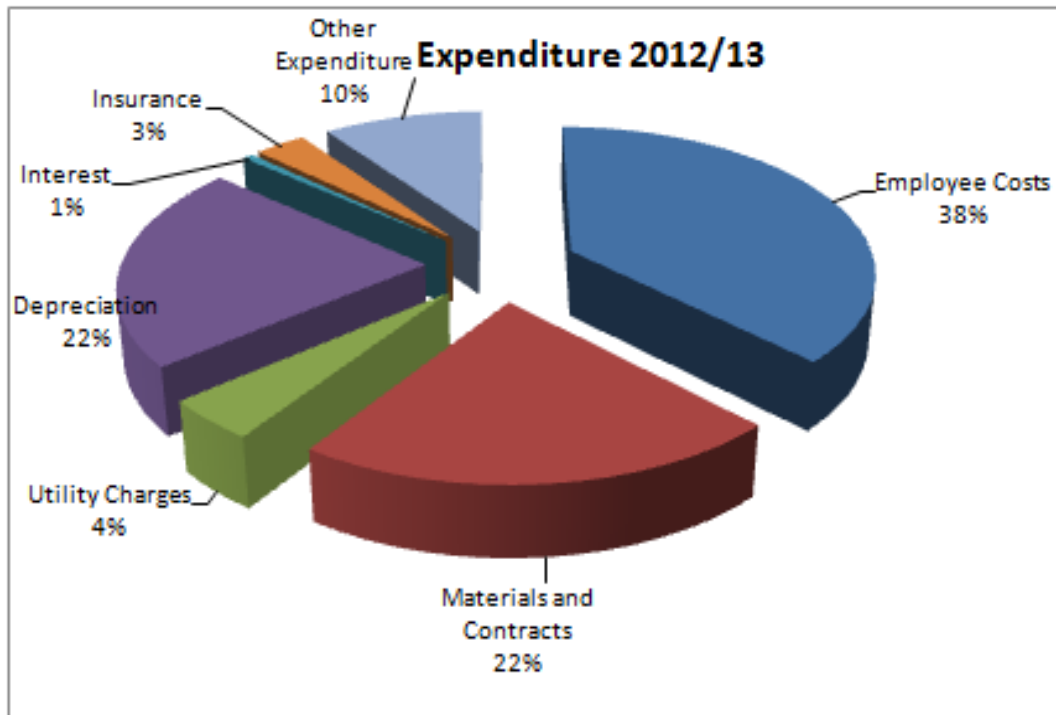
Capital Acquisitions

During 2012/13, \$12,426,448 was expended on capital acquisitions and when included in the previous four years, the total expenditure is \$27,379,131. Council relies on government grants to fund the majority of its capital works.



Graphical overview of Operating Revenue & Expenditure





In 2012/13 for every \$100 the Shire of Exmouth spent:



Aviation Services

Executive Manager Aviation Services

Andrew Forte (till 1 November 2012)
Jenny Kox (from 22 October 2012)

Airport Team

Edward Boney	Airport Security Officer
Aaron Crabtree	Airport Reporting/Security Officer
Lorraine Dickings	Heliport Security Supervisor (resigned June 2013)
Sara Dunny-Fox	Airport Reporting/Security Officer
Andrew Froome	Airport Reporting/Security Officer
Natasha Kelly	Heliport Check-in/Security
Julia Kernaghan	Airport Security Officer
Stephen Kox	Airport Manager
Allan Ladhams	Property Maintenance/Airport Security Officer
Neil Linthorne	Airport Reporting/Security Officer
Renata Miller	Airport Reporting/Security Officer
Jeffrey Nelson	Heliport RAMP Marshall
Tracey Neilson	Airport Reporting/Security Officer
Pratima Ojha	Airport Security Officer
Clif O'Toole	Heliport Coordinator
Stephanie Price	Airport/Heliport Check-in/Security Officer
Cameron Regterschot	Heliport RAMP Handler
Jill Roberts	Airport Security Officer
Maryann Smidt	Heliport Security
William Smidt	Heliport Check-in/ RAMP Handler
Sherree Stevens	Airport Security Officer
Dion A'Hearn	Heliport Check-in/Security Officer/RAMP Handler

Aerodrome Services

Heliport Services

Aviation Services

The Aviation Services Department covers the strategic, regulatory and operational requirements of Learmonth Airport (including Learmonth Heliport) and Exmouth Aerodrome.

From 22 October 2012, a change in management was seen with Jenny Kox commencing as Executive Manager Aviation Services when Andrew Forte moved into a Strategic Projects Officer role. Stephen Kox also commenced as Airport Manager following the resignation of Tim Lymon in June 2012.

Significant compliance activities and staff training & development have been undertaken over the year.



Learmonth Airport

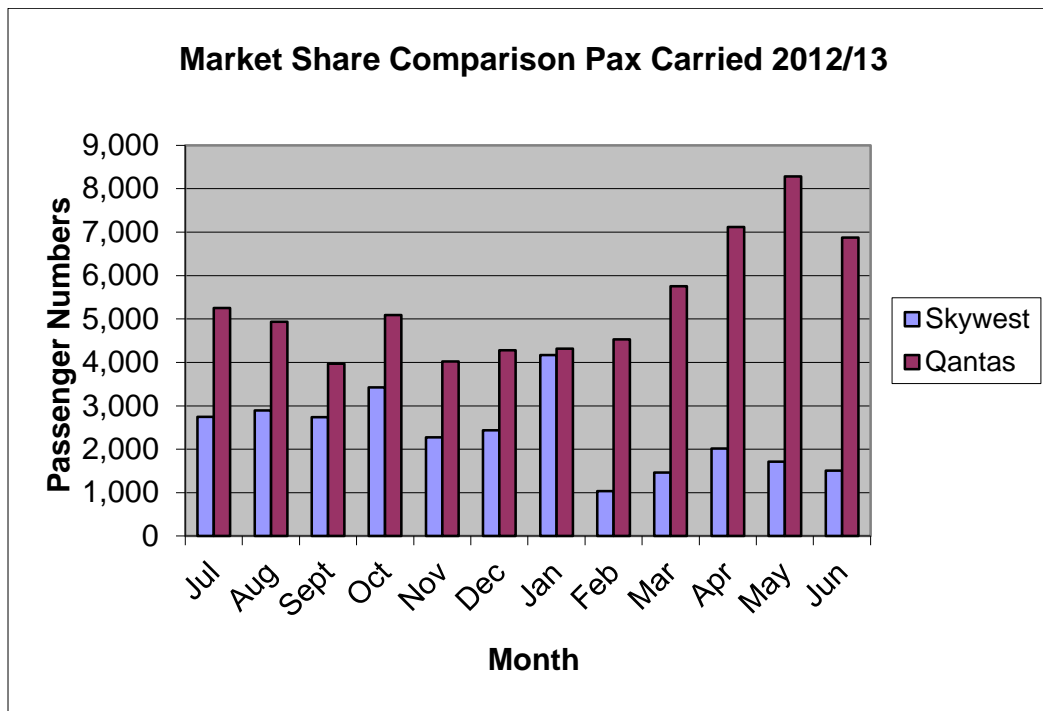
Airlines

Airlines operating Regular Public Transport (RPT) services into Learmonth continues to be semi-regulated by the State Government's Department of Transport with both airlines required to provide a minimum of three services a week. These 5-year contracts are approaching the half way mark and the Department of Transport advised in March 2013 they will be undertaking a mid-term review of services with a view to deregulate as many viable services as possible.

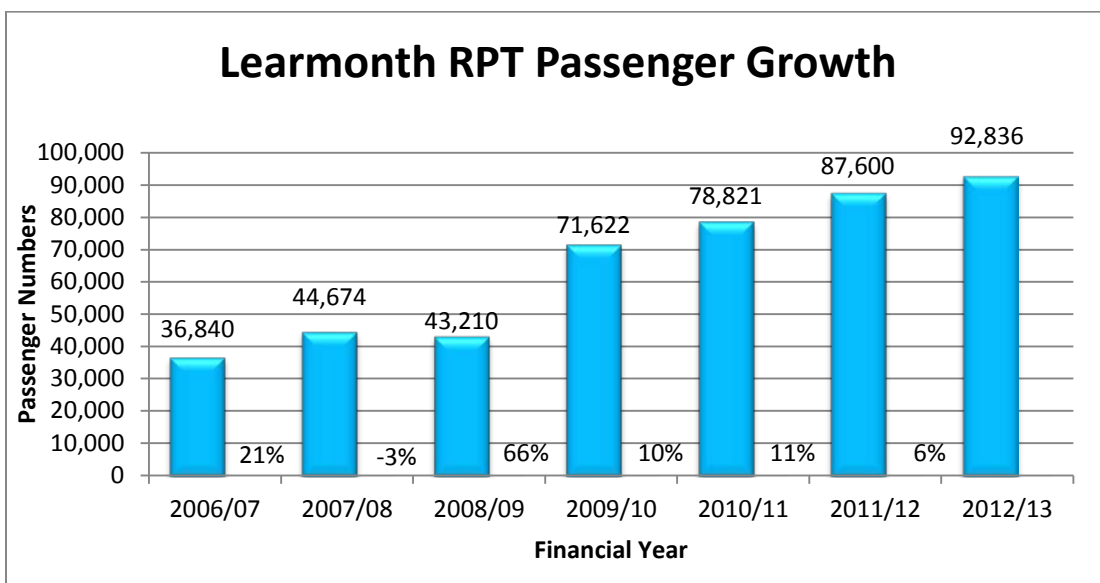
Qantas continues to hold the market share of passengers into and out of Exmouth (around 60%). The higher passenger numbers through April/May 2013 saw ad-hoc B717 aircraft replacing some Q400 services (115 seats versus 74 seats), which was formalised into a permanent replacement of the weekday morning Q400 with a B717 from 1 June 2013. The Qantas-Emirates partnership formalised in early 2013 now enables Emirates international customers to book directly through to Learmonth from the United Kingdom, Europe, North Africa, South East Asia and the Middle East.

Skywest services underwent significant change during the 2012/13 financial year culminating in the sale of Skywest to Virgin Australia Regional Airlines (VARA) effective 7 May 2013.

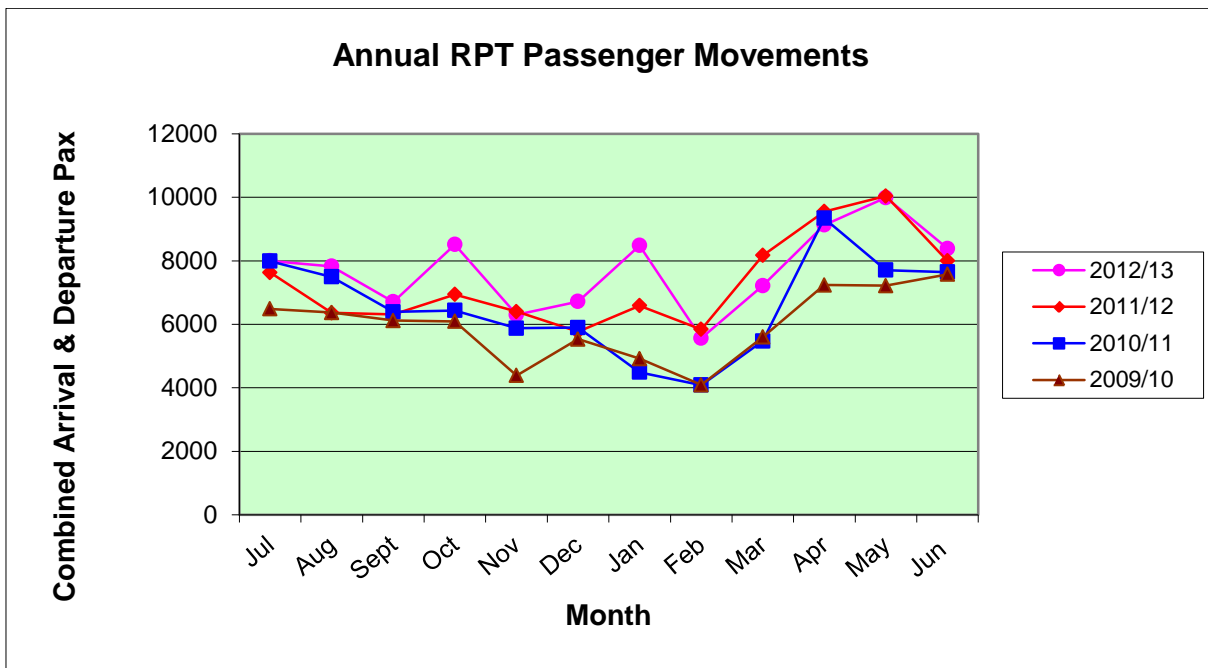
There was a significant reduction in services over the year with the Broome flights ceasing in October 2012 and the Paraburdoo twice-weekly flights ceasing at the end of January 2013. In addition, Skywest reduced their schedule to the minimum service requirement under their contract with the Department of Transport to three services a week effective 14 January 2013. This has seen a significant drop in aircraft and passengers utilising the Skywest/VARA service as shown below.



There were 92,836 RPT passengers for the 2012/13 financial year which represents around 6% growth and growth for the 4th consecutive year above the 2012 national average of 4.5%. The reduction of Skywest service in January 2013 and cessation of the Paraburdoo and Broome services has impacted growth as prior to the reductions in service we were on track to break the 100,000 passenger mark.



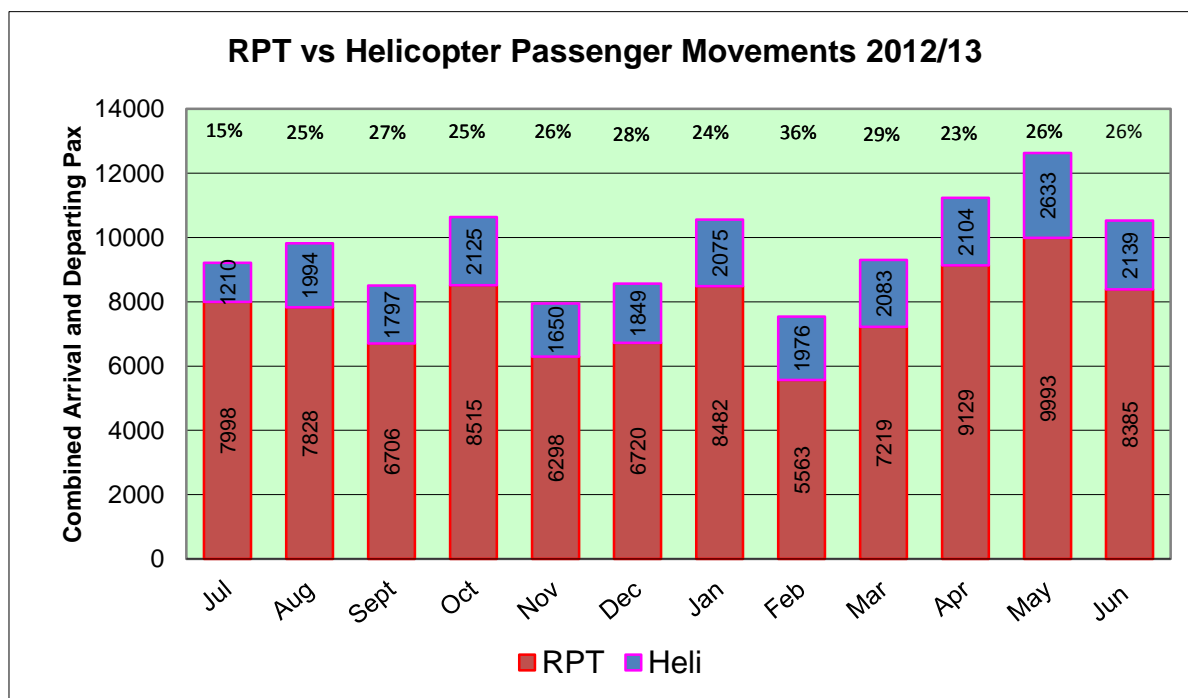
When comparing months, passenger movements around cyclone activity was clearly shown in December and January, with Bechtel de-manning their staff from Onslow via Learmonth on 9 January 2013 across 21 aircraft.



Heliport

The first full year of Heliport operations saw 23,365 passengers in and outbound. For the comparative 6 months since Council operations commenced at the heliport, passengers were down around 13%, however it has been acknowledged by the oil and gas industry that the first 3 months of heliport operations saw exceptional numbers which were not a normal representation of activity.

The average for the financial year of RPT versus helicopter passengers was 26%. Applying this to the RPT growth sees 1.5% of RPT growth attributed to helicopter passengers and the remaining 4.5% to local, tourism, business and Onslow cyclone demand/upman travel.



At the 2012 Australian Airports Association's Awards for Excellence, Learmonth airport was named the Regional Airport of the Year (50,000 - 499,000 passengers) for the heliport operations. The

Awards seek to acknowledge the organisations and individuals who are achieving excellence within Australia's airport industry. Congratulations to Andrew Forte and the team on all of their hard working in achieving such a prestigious award.



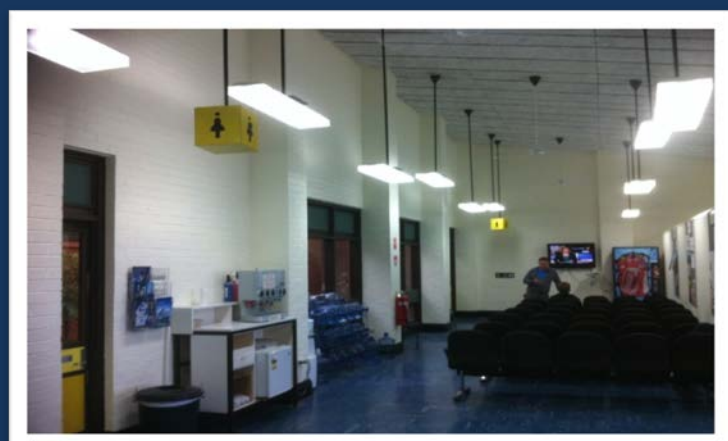
Projects

The heliport underwent a facelift with the interior being painted throughout which has significantly improved the space.

An additional freight office was constructed at the heliport and is being leased by Exmouthy Freight Services as agents for Toll Freight.

The proposed redevelopment of the screening point to provide improved passenger flow has been deferred to the 2013/14 financial year due to quoted prices being above the projected budget, although additional screening equipment for the upgrade has been purchased and some aspects of the redevelopment such as changes to fire hose locations, egress doors and airside doors have commenced and will be completed in the coming financial year.

An upgrade to the CCTV system was undertaken to provide additional coverage of airside areas and improvements to the cameras.



Exmouth Aerodrome

Works undertaken included continued grading of runway and roads and completion of the solar runway lighting system which was officially activated on 22 March 2013.

A bore has been installed and tanks and ablutions will be installed in the coming year to provide water for fire fighting.

Work continues on the development of a Master Plan for Exmouth Aerodrome, the first stage of which was preparation of a new locality site plan for landside development which will enable additional land to be leased for general aviation and commercial operations. Negotiations with current leaseholders to amend their current lease areas to the new plan commenced throughout the year and continue to be held.



Looking forward

Next year, the Department will focus on the following major activities:

- Progressing the redevelopment of the screening point;
- Preparation of a Car Parking Master Plan;
- Improvements to access control systems;
- Further building/facility improvements for Airport including relocation of the Crew Rest Area;
- Further building/facility improvements for Heliport;
- Registration of Exmouth Aerodrome with the Civil Aviation Safety Authority;
- Progressing of a Master Plan for Exmouth Aerodrome; and
- Further development of Exmouth Aerodrome.

Community Engagement

Executive Manager Community Engagement

Rogé Kempe

Community Engagement Team

Sharon Regterschot – Librarian/Telecentre Coordinator
Bec Edwards – Library/Telecentre Assistant
Bev Marston – Exmouth Visitor Centre Business Manager
Bec Lawson – Exmouth Visitor Centre Assistant Manager
Lauren Rampling – Community Development Officer
Jaci Cutler – Community Activities Officer

Community & Cultural Development

Library & Community Resource Centre

Youth and Seniors support

Tourism & Promotions

Disability support

Festivals & Events

Heritage

Grants



Community Engagement

The principal functions of the Council's Community Engagement Department are within Community Development, Library Services and Tourism.

In addition, the department is responsible for part of the corporate communications and marketing through newsletters and press releases and plays a role in preserving and communicating Exmouth's history. The Department also contributes to the development of new community infrastructure.

Community Development

Officers continue to assist Exmouth residents, groups and clubs through community development activities, school holiday programs and commemorative services.

On 16 May 2013, Council of the Shire of Exmouth held its formal recognition of Emergency Services in town at an event which was part of National Volunteers Week. The "Thank You Volunteer Night" is specifically for those emergency services volunteers that keep our community and our visitors safe, like St. John's Ambulance, Volunteer Fire Services and Marine Rescue.

Volunteering is very much part of the culture of Exmouth, and Council is proud that over 33% of Exmouth's population volunteer.

Para Olympian Visit

Shire officers assisted the Exmouth Carers Support Group in bringing Katrina Porter to Exmouth. Katrina Porter is a Paralympics swimmer who competed in five events and won a gold medal in the Women's 100m Backstroke S7 event at the 2008 Beijing Games. She visited the school, the pool, and met members of the swim club.

Culture and the Arts

Shire Officers continued to work with Country Arts WA to further develop arts & cultural opportunities in the Gascoyne and Exmouth in specific; the lantern making workshop which was conducted for 2 weeks in the lead up to the Lantern Parade as part of the Vlaming Head Lighthouse Centenary Celebrations.



Club Development

The Club Development Program of the Department of Sport & Recreation (DSR) continues with shire officers assisting Exmouth clubs to improve their governance and other operational activities.

A Gascoyne Club Volunteer Awards Night was held in Exmouth to acknowledge local and regional volunteers and workshops were delivered to Exmouth Clubs through the Annual Conference. Workshops focussed on the good governance of local clubs and included topics like communication, volunteers, sponsorship and the "7 steps to a high performing organisation".

The Shire continues to participate in the KidSport program to assist children from low income families with a financial contribution towards sport and recreation club fees and small equipment.

Infant, Youth and Seniors Services

School holiday programs offered a wide range of activities, including: the Crazy Olympics, Annual Exmouth Dog show, “having a go at fishing”, Card making, Sand Sculptures and Lantern Making. With the Exmouth Police we organised a Bike Education event: kids learnt some tips on road rules, had bike fittings and showed off their bike skills.

The Shire supported Exmouth District High School with careers week and set up a display about working for local government. Officers talked to over 100 students about local government job opportunities and highlighted the projects that Exmouth Shire is undertaking.

The *Youth Cultural Exchange Project* aims to provide young people with opportunities to experience and learn valuable skills for organising and running future Youth Events in Exmouth. This includes working and communicating together, networking, risk management, promotions and event management. Outcomes this year were the “Pool Party Countdown”, delivery of a youth programme at the Whaleshark Festival and a visit to the KickstART Festival in Perth. Development and production of an event planning handbook for young people has also commenced.



The Shire continues to support the Arts & Crafts Show, organised by the Exmouth Senior Citizens club.

Disability Services

The Shire’s Disability Access & Inclusion Plan was reviewed with input from community members and agencies. Council adopted the plan which will guide the whole of Shire approach to access and inclusion in coming years.

Events & Commemorations

The Shire organised, often in partnership, various community events like NAIDOC week, Australia Day, ANZAC Day, Remembrance Day, and Vietnam Veterans Day.

Festivals

Tura Music Festival – Sounds Outback.....(to Reef)

The Tura Festival was held in October 2012 and offered fantastic performances at Shothole Canyon, Niblett Oval and other venues in and around town. The Shire supported the Festival financially and in-kind.

Ningaloo Whaleshark Festival

This year's contributions to the program by the Shire included a school holiday "wind fish" workshop. Empty bottles were used to make fish which were used to decorate a boat for the Festival float parade. In addition, 8 aquariums and a touch pool with "Ningaloo Highlights": starfish, fish and a shark were on display.

Our young people from Youth Action Exmouth (YAE) organised various workshops at the Exmouth Skate Park during the weekend for the youth of town with professional trainers in Rap, DJ-ing and Urban Art coming up from Perth for the weekend.

Celebrating our History

Vlaming Head Lighthouse 100 years

The lighthouse turned 100 years old on 10 December 2012 and this was celebrated in style with a Lighthouse Ball attended by 200 people in their finery to dance to Hip Mo' Toast. The Celebrations also included an Arts Competition and a Camp out at Lighthouse Caravan Park.

Approximately 170 people took up the opportunity to have a look inside the lighthouse with tours conducted by Ron Campbell, Wayne Britton and Ken Baker, which offered views of the magnificent inner workings of the lighthouse.



The weekend included a Welcome to Country by Ann Preest and inspirational words by Jeremy Garlett regarding the importance of the lighthouse area to all people and our shared responsibility to look after it.



Jarrad Blackburn and the Exmouth District High School Choir sung the Lighthouse Song which was specifically composed for the occasion. Residents and visitors brought 100 lanterns in a parade to the anticipating crowd which also included a 5 metre replica of the SS Mildura and a 3 metre replica of the Lighthouse itself.

Illuminart exceeded everyone's expectations with their projection art onto the lighthouse telling the history of the Northwest Cape and the Vlaming Head Lighthouse.

Grants

Grant information was distributed to Exmouth community groups & clubs on an on-going basis. In addition, many letters of support were provided on behalf of the Shire to assist those groups and clubs with their grant applications.

Some of the grants and Sponsorships received by the Shire for community facilities and programs were: Club Development Conference, Vlaming Head Lighthouse Celebrations (various), Recreation Centre precinct Plan, National Landscapes programme, and Youth Development & Culture.

Communications & Promotions

This year saw the ongoing production and distribution of monthly Shire Newsletters, which included information about Shire functions, processes and projects. The Shire produced a range of media releases and provided community information through ABC and RedFM radio and GWN news.

Various activities were undertaken to promote the Shire of Exmouth as a place to live and visit, including the production of an Exmouth Lifestyle booklet, articles in Spirit Magazine (Qantas) and Prism Lighthouses Australia magazine. Officers have commenced the rebranding process for the Shire of Exmouth.

The Shire supported the Banners in the Terrace programme, with students designing a banner which promoted Exmouth in Perth City.

Community Facilities Planning

Recreation Centre Master Plan

Master planning for the Recreation Centre Precinct Area is underway. The project is partially funded by the Department of Sport & Recreation. A final Plan is expected early next financial year.

Interpretative Signage Project

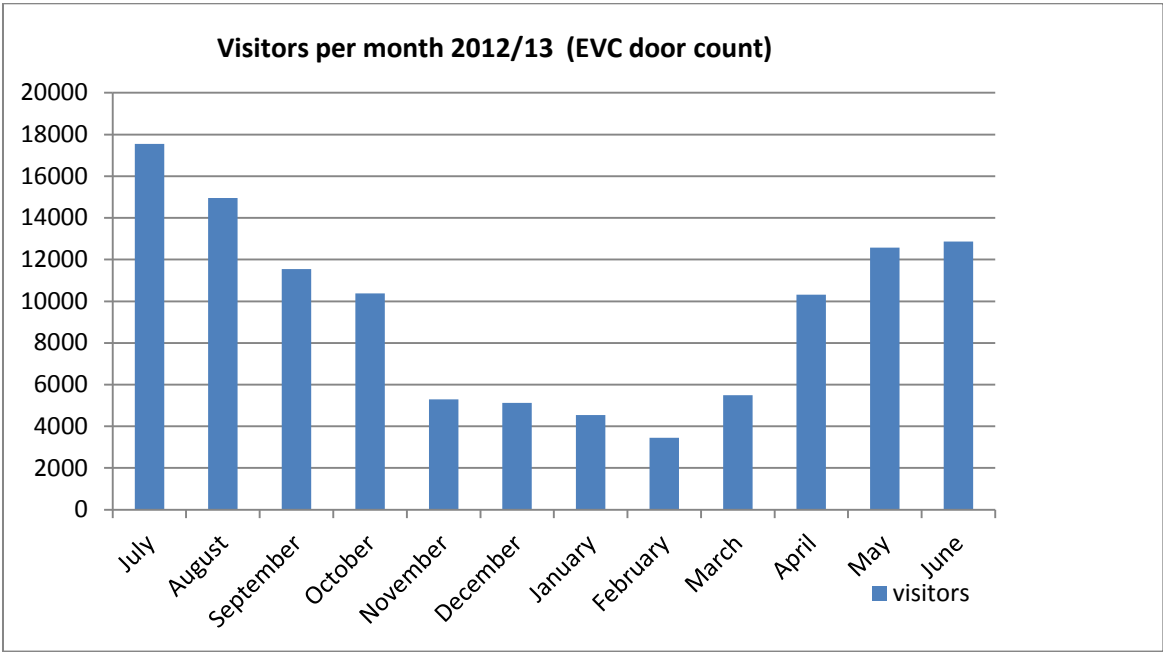
Interpretive signage for the Vlaming Head site and the Potshot and Krait memorial sites was designed and installed during the year. The project assists community members and visitors to gain better understanding of the Exmouth region and its rich history. Additional works included the construction of seating walls, new picnic tables and improvements to the parking surface and pedestrian paths at Vlaming Head. The project was a finalist in the 2013 Western Australia Heritage Awards for Interpretive Projects.

Tourism

Council has continued to show strong support for the Exmouth Visitor Centre, contributing financially with the employment of two senior staff members and free use of the Centre building. Additional financial support was provided for various tourism marketing initiatives.

The partnership between the Shire of Exmouth and the Exmouth Visitor Centre Marketing Committee was reviewed during the financial year. From July 2013 onwards the Centre will be run by Industry with the Shire providing financial support and free use of the Exmouth Visitor Centre building. Staff and a Council representative remain on the Visitor Centre committee.

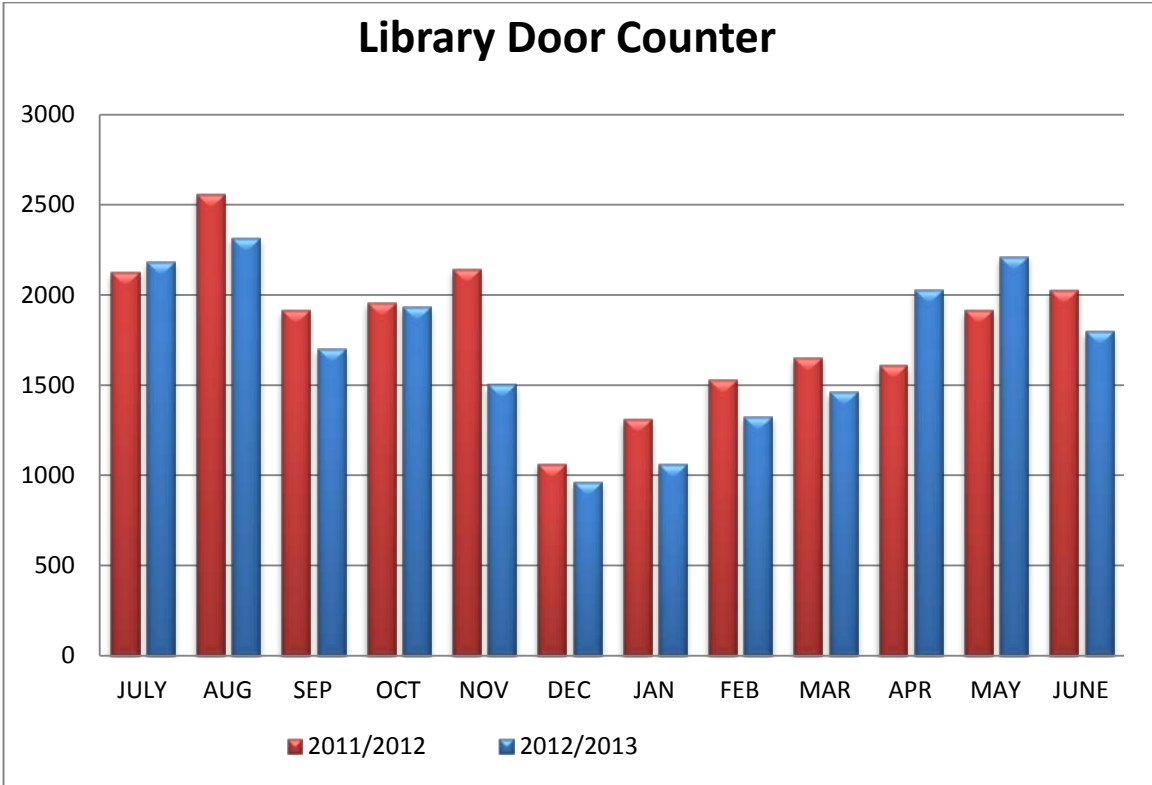
The Shire continues to contribute to the National Landscape program and assists Australia's Coral Coast, also through membership on its board, in the promotion of Exmouth as a place to visit.



For the financial year 2012/2013 the Exmouth Visitor Centre had an annual door count of 114,074 people, slightly more than the previous financial year.

Library and Community Resource Centre (CRC)

This year 21183 people made use of the Library with 11808 items being borrowed.



Selecting Library

During the financial year we became a “Selecting Library”, with the State Library WA handing the control of \$18,000 budget directly to Exmouth Library to choose its own stock. Over 900 books arrived into the library during the financial year. Patrons have benefited greatly from this as new releases and stock become available much quicker and stock is more tailored to our patrons’ interests.

Ebooks

This is a new initiative to provide all Western Australian public library members with access to ebooks (electronic books). The Digital Media Collection is currently in the first year of a trial. The Service offers an excellent opportunity for our community to have access to a larger variety of reading material not currently available via our library.

Ancestry Library Edition

Ancestry Library Edition has been introduced for patrons in every Public Library through a statewide agreement and the State Library of Western Australia. This has now been implemented into the library which allows patrons to access ancestry information free of charge in the library.

The Exmouth Community Resource Centre (CRC)

The Committee unanimously decided to discontinue the CRC’s operations as of 30 June 2013. The decision was due to an unsustainable financial position along with proposed future services and activities were already being delivered by other groups and businesses in Exmouth. The services previously provided by the CRC have continued to be delivered as library services.

Better Beginnings

The Exmouth Public Library continues to deliver the *Better Beginnings Family Literacy* program to encourage the parents of young children (from birth to three years) to read to their children. *Rhyme and Craft* is held Tuesday mornings and is a huge success with young children and their parents. Library staff continues to visit the Early Childhood Centre, pre primary and kindergarten children, teachers and parents at the EDHS to talk about the benefits of reading to babies and young children and to promote the Better Beginnings program. Staff also promotes Exmouth’s weekly Rhyme and Craft time and the Libraries collection and online resources.



Looking forward

A Recreation Centre Precinct Plan will be finalised to give the Shire direction in the future developments of this area, including construction of new facilities and new additions or improvement to existing facilities and spaces.

On 1 January 2014 it will be 50 years since Exmouth was officially created by the Western Australian Government and Council prepares the celebrations for this event.

Operation Jaywick was a special operation undertaken in World War II. Since The Krait came safely back to the Exmouth Gulf on 19 October 1943, a suitable commemoration will be held in October 2013 to mark this event.

A Tourism Experience Development Strategy as part of the National Landscape programme will be finalised in the next financial year.



Health & Building

Executive Manager Health & Building

Rob Manning

Health & Building Team

Patrick Barber – Environmental Health Officer
Joshua Koontz – Swimming Pool Manager
Kristy Wadley – Assistant Swimming Pool Manager / Water Sampling Officer
Bronwyn Giles – Life Guard / Casual Assistant Swimming Pool Manager
Talitha North – Life Guard (Resigned Jan 2011)
Krystal Keynes- Life Guard
Donna Koontz – Life Guard
Kirra De Jong - Life Guard

Steve Foster – Building Surveyor

Building Services

Environmental Health Services

Swimming Pool

Waste Management and Recycling

Occupational, Health & Safety

Health & Building

The principal functions of the Council's Health & Building Services are to ensure new development complies with statutory requirements; and where appropriate to carry out routine inspections and monitoring of existing establishments/public facilities to maintain an acceptable level of public health and safety for the community. The Exmouth Paltridge Memorial Swimming Pool and Occupational Health and Safety (for the organisation) are also administered under the responsibility of Health & Building Services.

Federation Park Water Spray Ground

Perhaps the most significant project for the 2012/13 for Health & Building Services was the tendering, contracting and project management of the construction of the Federation Park Water Spray Ground. Featuring elements that serve as a tribute to the rich natural and cultural heritage of the North West Cape, the project was delivered on budget, on time and the finished product is much loved by the children and parents visiting the facility – locals and tourists alike.



Environmental Health

For the first time in many years, the Council's Environmental Health Department operated with a full complement of staff resources for 2012/13. This enabled a high level of assistance to be provided to the community to maintain and improve standards of public health and illness prevention. The above was achieved by continuing to complete a vast range of inspection and monitoring programmes.

Environmental Health Officers also made regular contributions to the Shire Newsletter, local media and continued promoting recycling in the community by engaging with local sporting clubs, not-for-profit (NFP) groups and the Exmouth District High School. This public/community engagement approach was aimed at promoting environmental health and wellness awareness amongst the community and it is intended that this will continue and where possible be expanded.

In 2012/2013 access to the "I'm Alert" food safety training was again provided free of charge. "I'm Alert" is a free interactive food safety training program that is accessed via the Shire of Exmouth web site. It provides food handlers convenient access to basic training that may assist them to meet 'adequate knowledge and skills in food safety' as required under the Food Safety Standards. The training continues to be utilised not only by food businesses but also by, sporting clubs/NFP groups engaging in food stalls for fund raising as well as members of the general public concerned about food safety in their home. A total of 121 potential food handlers completed the training during the 2012/13 period. A certificate on completion is issued to those that participate in the training.



Officers worked closely with organisers of various festivals and public events such as the Whale Shark Festival to ensure that reasonable and practicable care was taken to protect the health and safety of patrons/participants at such events.

Waste Management and Recycling

Waste Management

The Environmental Health Department continued with providing assistance and recommendations to Engineering Services in relation to changes that could be made to more thoroughly implement the aims and objectives of the Qualing Scarp Waste Disposal Site Landfill Environmental Management Plan.

Recycling

The local C.A.R.E. Group continued providing the aluminium can collection service during this period all the while generating an income to help fund the fantastic work that they do for the local injured native wildlife. Approximately 3 tonnes of aluminium cans were collected during this period and with the assistance of Jakhaul Haulage they were processed and freighted out of town for recycling.

The *Household/Domestic Battery Recycling Program* continued again this year. This program aims to significantly reduce domestic batteries from entering landfill. Drop-off points are located at the Shire administration building and Exmouth District High School (EDHS).

The Domestic Battery Recycling in School Program commenced mid-way through the first term of the 2011 school calendar. By the end of the 2012/13, two 205L (44gal) drums of batteries were collected since the program commenced. These were sent to Perth for recycling. This



equates to almost one tonne of domestic batteries; batteries that were diverted from landfill where they were destined to break down over time and possibly leach dangerous chemicals and heavy metals in to the ground.

In addition to the above, approximately 200t of steel and 1.5t of automotive and marine batteries were removed from the Qualing Scarp Landfill site for recycling.

Paltridge Memorial Swimming Pool

The annual attendance figures for Paltridge Memorial Swimming Pool continue to show the importance of the facility to the community. Attendance records for recent years show steady growth and a significant increase in patronage for the 2012/13 pool season.

Season	2009/10	2010/11	2011/12	2012/13
Attendance	26,117	27,159	28,054	29,519

Considering that the pool was only open for approximately 200 days of the year, the above figures equate to an average attendance of over 147 people per day. It should be noted that the above figures do not include the year-round 'out of hours' usage of the facility by the local dive companies for SCUBA instruction.

The 2012/13 pool season was a particularly challenging one for the pool staff as they managed the general pool operations while being in the middle of a construction site due to the Federation Park – Exmouth CBD Revitalisation Project. Significantly more cleaning was required due to the dust and wind blown dirt. There were also many restricted access and restricted parking issues to manage as well as multiple disruptions to services (power, water

etc). The construction works resulted in the pool season ending a few days early after the main power cable to the pool severely damaged.

Some of the significant events that took place throughout the 2012/2013 pool season include the following:-

- Dive In Movies continued to run throughout the season with a movie being screened on average once per month with around 40 to 60 people attending each viewing. To add a new flavour to the Dive In Movies there was a Choose Your Movie competition run at the beginning of the season so the community would have some input into what movies where to be screened. The prize for the winner of the competition was a Family pass to the movies won by Coby Sullivan.
- With the Aqua Run had a fatal blow out as a result of wear and tear early in to the 2012/13 pool season. This left the pool without an Aqua Run and there was no budget allocation to purchase a replacement. That was until the wonderful ladies from Mrs Mac's "The Shed" insisted on kindly donating the funds that could be used to purchase a new Aqua Run. The new Aqua Run was able to be sourced just in time for the community 2013 Australia Day Celebrations at the Pool.
- Aqua Playgroup was introduced to the pool during the 2012/13 season running through the hotter summer months. This was an opportunity for mums and young children to have a Playgroup session at the pool with as much equipment from the Toy Library and the Learn to Swim recourses as could be used to keep the kids stimulated in play while they increase their confidence in and around the water.
- The pool hosted the Virtual Swim to Rottneest again the last weekend of February with 5 teams of 4 swimmers each totalling 20 swimmers. Each team completed a total of 20km, 400 laps between them averaging 5km, 100 laps each swimmer. This event is also an opportunity to raise money for the Royal Flying Doctor Service which a total of \$1,050.00 was raised from the event in Exmouth.
- Katrina Porter who broke the world record in the 100m backstroke at the 2008 Paralympics Games visited the pool on the 16th of February 2013. The day started with a motivational talk to around 40 Exmouth Amateur Swimming Club kids followed by some swimming tips in the pool between 9am to 12pm. Katrina then stayed at the pool between 12pm to 3pm to talk with the public.



In addition to the above events are many other events and activities a lot of which happen annually. Some of these include such activities/events as youth nights (e.g. Youth Quake and the SU Leavers event), three separate programmes of Swimming Lessons, School Carnivals, Family Fun Days (e.g. Pool Open Day and Australia Day), Swimming Club Nights and various aqua fitness classes.

Occupational Safety and Health (OSH)

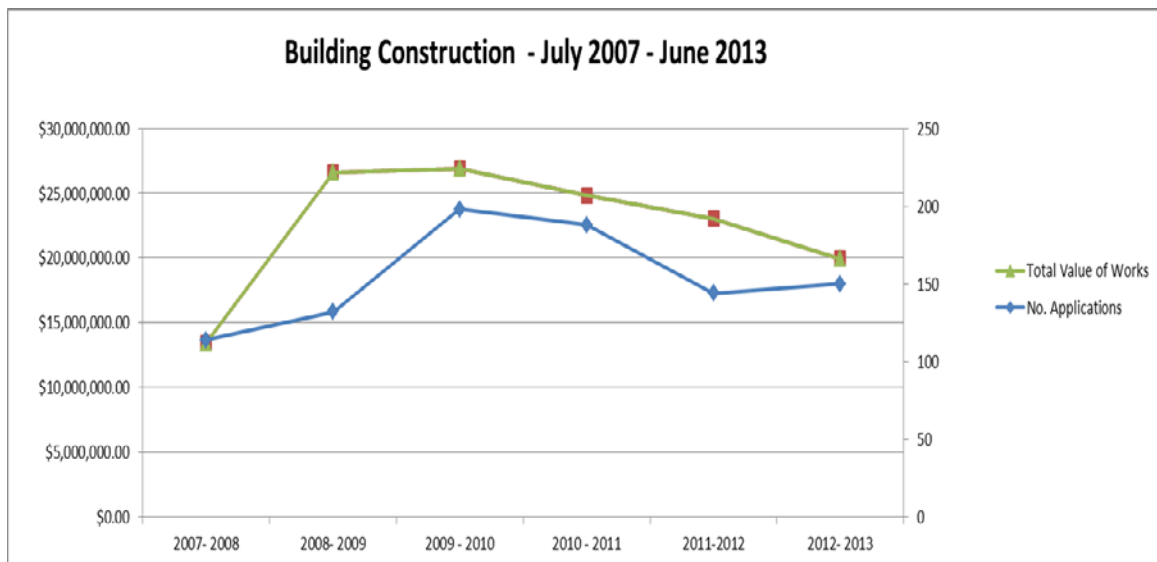
The Shire of Exmouth is committed to a high standard of health and safety within the workplace. The Shire's OSH Committee meets every 2-3 months which provides a forum for both Managers and staff to discuss any OSH issues that have arisen. This provides an opportunity for improving both work practices and the safety of work areas to ensure a high level of occupational health and safety across the entire organisation.

Building

Over this period the Council's Building Department has continued to maintain an efficient turn-around time in processing the relatively high number of building permit applications. Minor works applications were generally approved in less than a week and more substantial proposals took between 1 to 3 weeks to process.

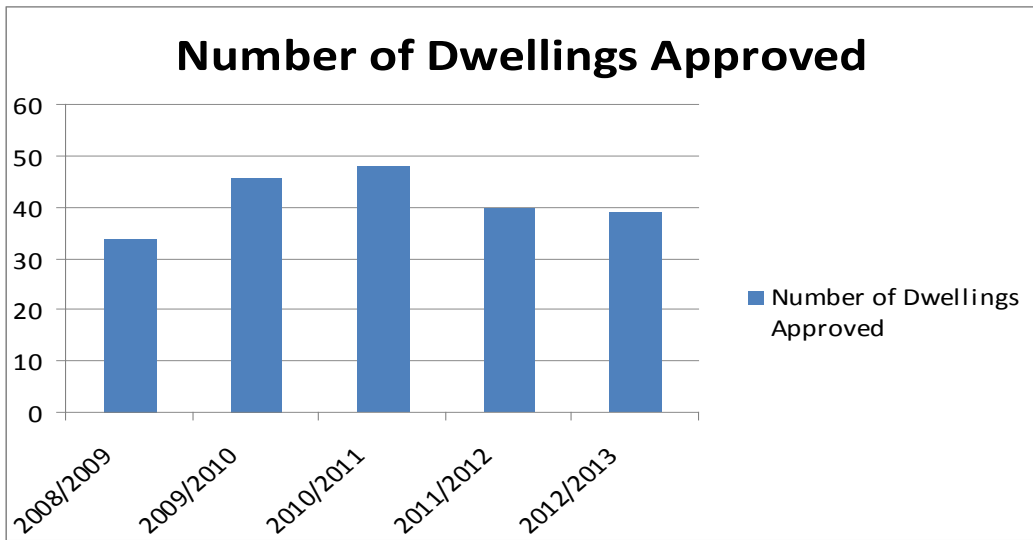
Another significant activity for the period has been the pursuit of compliance with a number of notices served on neglected buildings within a short term accommodation development, requiring them to be removed. Six of the 11 accommodation units were removed in 2011/12 with a further 3 removed during this period.

The following graph illustrates trends for the number of approved building licences and the value of the related works over the last 6 financial years, with both being relatively stable for the past few years.



Building License/Permit statistics for the past 6 financial years

The number of dwellings approved over recent years has also remained relatively consistent. Over the past five respective financial years; 34, 46, 48, 40 and 39 building licenses/permits were issued for the construction of new dwellings. This is illustrated in the chart below.



The construction of new homes within the Exmouth Marina Village, the Mortis St subdivision and in-filling of existing residential areas were the main contributors to the above statistics.



Town Planning

Executive Manager Town Planning

Rhassel Mhasho

Town Planning Team

James Trimble - Planning Officer
Sandra Saphala – Planning Assistant
David George – Ranger and Emergency Services

Town Planning Services

Townscape

Reserves Management

Heritage

Emergency Management, Compliance & Ranger Services

Town Planning

The Town Planning Department covers a wide range of functions related to Strategic Planning, Statutory Planning, Development Approval, Land Administration, Local Laws and Planning Policies. All activities are carried out in accordance with the relevant legislation including the Planning & Development Act 2005, Local Government Act 1995, Council's Local Planning Scheme and Council Policies. Customer Service, community information and public consultation are all major aspects of Town Planning.

The Emergency Management, Compliance and Ranger Services was included to the Town Planning department in last financial year. It has been another extremely busy year for the department with many challenges faced through the consideration of some controversial development proposals, meeting timeframes for strategic planning projects and a major bushfire.

Staff Changes

The Planning Officer, Mr James Trimble joined the department on the 24th August 2012 from the Department of Lands. James graduated (2012) with an honors degree in Urban and Regional Planning from the Curtin University.

Also joining the department was Tendai Mhasho. Tendai joined the department as a Planning Assistant on 1 January 2013 from maternity leave. I would like to welcome James and Tendai and wish them the best endeavors as they help to shape the future of Exmouth.

Ranger Services

Ranger Services are responsible for the administration and enforcement of a number of State Acts and Shire Local Laws. Officers regularly patrol the district to ensure the safety and security of the community.

Illegal camping continues to be a challenge for Ranger Services. In the past 12 months there has been a significant decrease in the number of offences observed since the previous 12 months. Strict enforcement and multi-agency cooperation is believed to have been the key factors in the reduction in offences observed. Ranger services will continue to enforce the offence (and all other offences) to ensure the safety and the security of the community.

Offence Type	2010/11	2011/12	2012/13
Dogs	73	76	57
Camping	319	351	228
Parking	55	60	53
Litter	22	5	16
Fire	7	41	32
Off Road Vehicles	6	6	2
Other	16	39	18
Total	498	578	406

Local Laws

The Shire of Exmouth Bush Fire Brigades Local Law was initiated and adopted during the reporting year. The purpose of the local law is to make provisions about the organisation, establishment, maintenance and equipment of bush fire brigades in the district. The effect of the local law is to align existing local laws with changes in the law and operational practices.

Emergency Management

Tropical Cyclones

The annual residential cyclone clean-up was conducted in early December and Ranger Services were involved throughout the year in responding to and preparing for Tropical Cyclones affecting the region. Fortunately, the district didn't feel the full impact of any tropical cyclones, but was well prepared in any case.

Fire Management

The Shire of Exmouth, via the Emergency Services Levy (ESL) was allocated funding through the 2012/13 Capital Grant allocations to acquire a new fire fighting appliance which will expand the capabilities of the bush fire brigade. The new truck allocation is a follow on from the establishment and registration of the Exmouth Bush Fire Brigade during the previous reporting year.



Ranger Services conducted patrols of the district to ensure the community was prepared for bush fires by having properly installed firebreaks on private property and the annual strategic firebreak maintenance program for Shire and UCL reserves was carried out during the year.

Local Emergency Management Committee (LEMC)

Over the past financial year, the Exmouth LEMC came together on 5 different occasions. As part of the meetings, the Community Centred Emergency Risk Management Plan was developed and subsequently endorsed by Council. This plan will now be used to reduce the likelihood of emergencies within the district.

Emergency Overflow Camping Ground

The Emergency Overflow Caravan Park was opened during the peak tourism season to assist with the accommodation of visitors who were unable to find accommodation due to the National Park and licensed caravan parks being at capacity. A total of 92 bookings were taken from the 1st July until the 13th August when the overflow was closed.

Statutory Planning

Development Applications and Subdivision

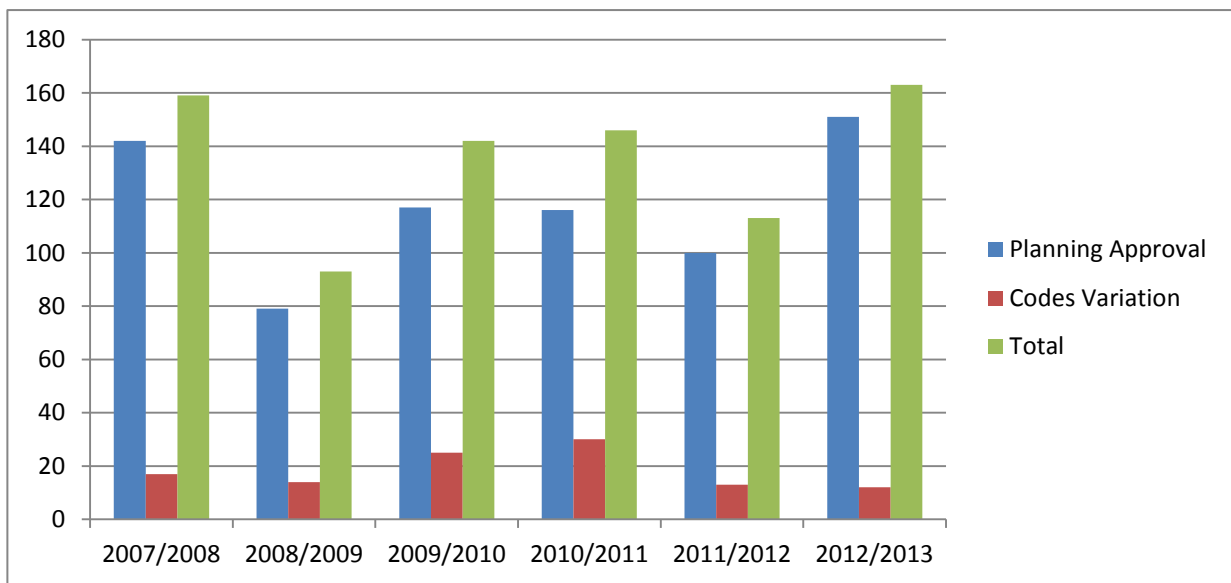
The past 12 months has seen continued processing of Development (Planning) Applications and a 14 day processing time for planning applications was maintained. A total of 163 development applications were processed during the 2012/2013 financial year. The majority of these were Holiday Accommodation renewals, oversized outbuildings and residential dwellings applications.

Development Assessment Panel

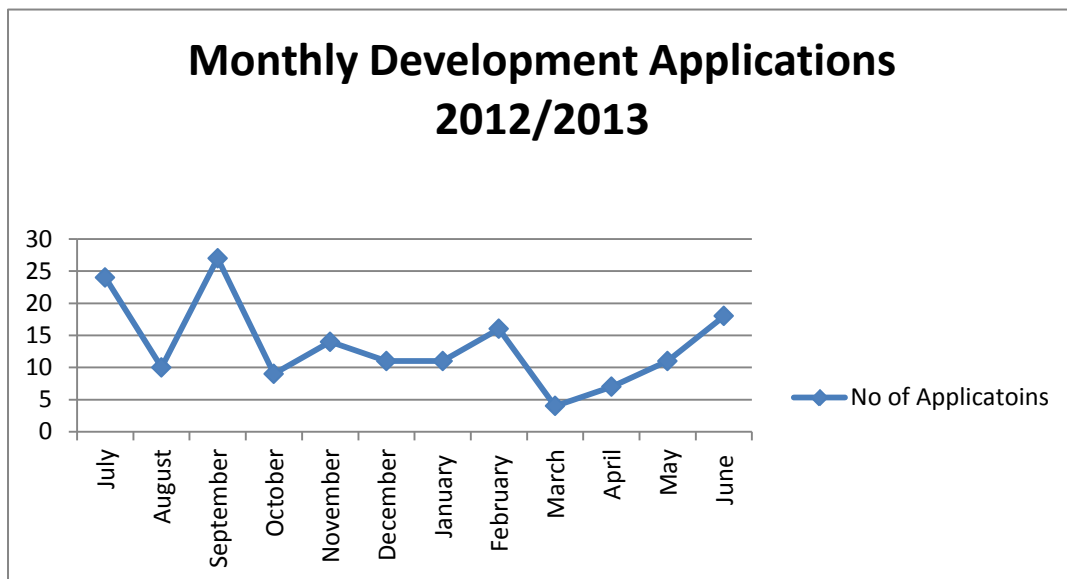
During 2012-2013 financial year the Development Assessment Panel determined one application within the Shire, namely: The construction of eighteen (18) residential grouped dwellings on Lot 902 Madaffari Drive, Exmouth

The graph below shows the distribution and expected annual average total of development applications processed over the past 5 years.

Yearly Development Applications



The graph below depicts the monthly number of development applications.



Subdivisions and ODP

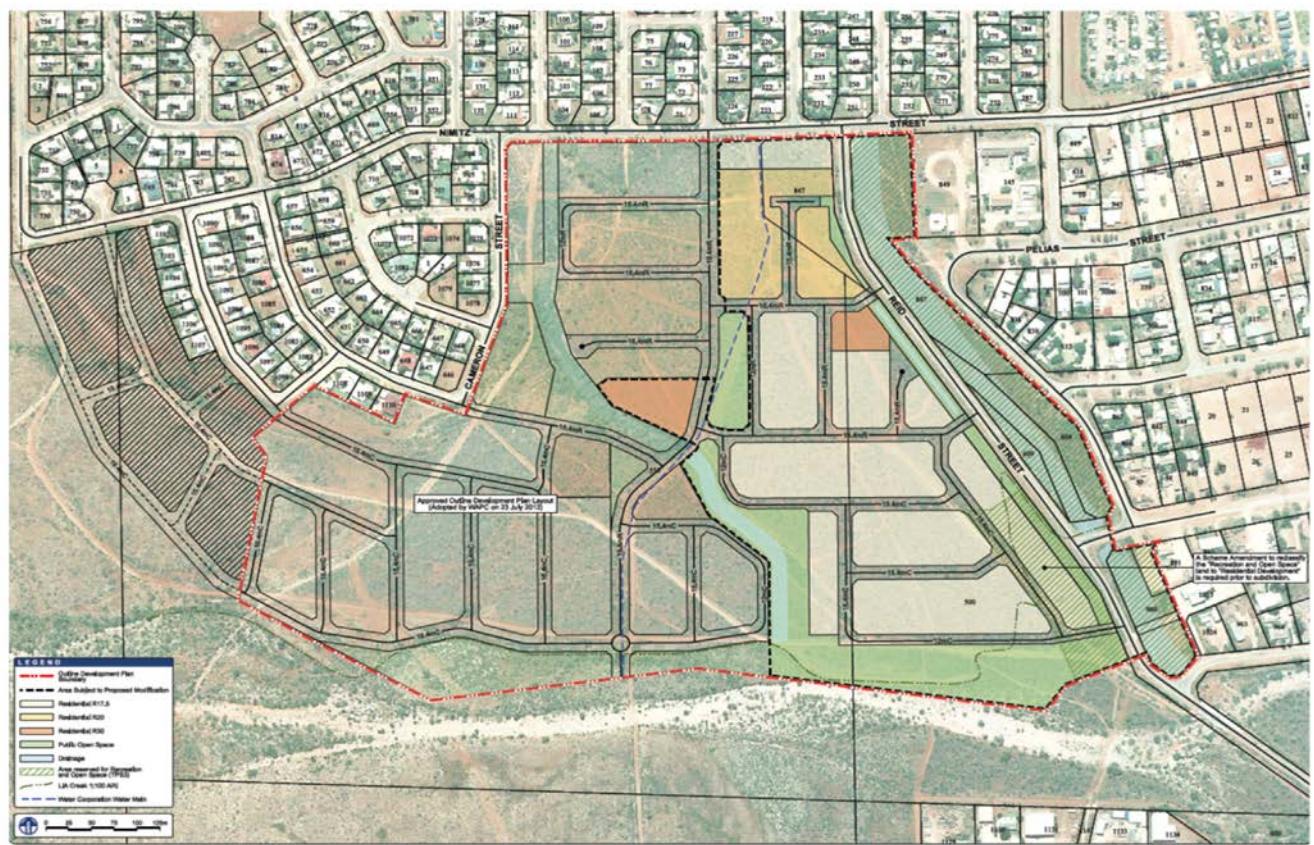
The department was involved in the modification and processing of the Nimitz Street Outline Development Plan (ODP), the largest ODP for Exmouth. The ODP was prepared by RPS on behalf of LandCorp and covers a total area of approximately 44ha.

The Outline Development Plan incorporates a mix of low and medium density lot sizes including Residential R17.5, R20 and R30. The latest breakdown of the potential lot yield and density after the modification is provided in the table below:

Density Code Estimated Lots Estimated

	Dwelling Units	Lots
R17.5	298	298
R20	97	97
R30	50	4
Total	445	399

¹Based on strict interpretation of the minimum average lot size requirements of the R-Codes



The table below shows details of land release projects currently being undertaken by the department.

Details of future land release in Exmouth

Area	No of lots	Stage	Expected release	Size of lots	Developer
Nimitz Street	349 with 39 lots released in stage 1	Subdivision approved by WAPC	2013/14	640 - 750m2	LandCorp
Preston Street	11	Investigation stage	2014/15	1 ha	Shire of Exmouth
Learmonth Street	24	Subdivision approved by WAPC	2015/16	500-900m2	LandCorp

Town Planning Scheme Amendments

A total of 4 Scheme amendments were initiated and approved during the year. These include:

- Scheme amendment 27 - Facilitate the development of an innovative, low impact marine supply base on Lots 1, 101, 112 & 220 Minilya - Exmouth Road
- Scheme amendment 28 - Reclassifying a portion of Reserve 50807 and 28764 from Recreation and Open Space to Public Purposes
- Scheme Amendment 29 - Rezoning portion of Lot 847 Nimitz Street and portion of Lot 500, Exmouth, from 'Recreation and Open Space' to 'Residential Development'.
- Scheme Amendment 30 - Amending the Zoning Table to change 'Motor Vehicle and Marine Sales' to an incidental use 'IP' in Tourist zone.

Strategic Town Planning

Exmouth South Structure Plan 2011

The Department successfully completed the preparation of the Exmouth South Structure Plan. The plan was endorsed by WAPC on 30 October 2013. We would like to thank TME Planning and Engineering Consultants and all stakeholders who were involved in preparing the Structure Plan.

Local Planning Strategy and New Local Planning Scheme No 4

The town planning department was successful with a grant application for the preparation of Local Planning Strategy and a new Local Planning Scheme.

Taylor Burrell Barnett (TBB) planning consultants were engaged to deliver the project. It is envisaged that the project will be completed in 2014/15 financial year.

Town Centre and Foreshore Revitalisation Plans

The preparation of the Town Centre and Foreshore Plan was completed during the last financial year. The department has been busy with implementation of the project starting in January / February 2013 with Crown subdivisions, road closures, road creations, road widening's, naming of roads, creation of new reserves and many other land administration jobs.

Review and Development of new Planning Policies

No new planning policies were formulated during the year. The department completed the review of all town planning policies. It is envisaged that most of the policies will be incorporated into the New Town Planning Scheme No 4 during the 2014/15 financial year.

Looking forward

Next year, the business will focus on the following major activities:

The Lefroy Street Housing Project

Council has been working with Exmouth Chamber of Commerce and Industry to come up with a housing project for the low wage, low skilled seasonal and permanent workers. The project has since been taken over by the Department of Housing (DoH) The Department of Housing are currently working out the best land tenure arrangements and rental model that can be applied to this development. The DoH intends to fund the project to a tune of \$8.5 million during the next financial year.

The Truscott Crescent Caravan Park Project

Council gave an in principle support for Tourism WA to engage a consultant to investigate the possibility of a new caravan park on Lot 1403 Truscott crescent. AEC group was engaged in April 2013 and has now completed the demand and pre-feasibility study.

Figure 9.1. Indicative Concept Plan



Source: Vabasis, AECgroup

Progressing the release of land for Residential, Industrial, Tourism and Commercial Development

The department will continue progressing the timely release of land, identified by Council, for residential, industrial, Tourism and commercial development with the Department of Lands & Regional Development State Land services

Engineering Services

Executive Manager Engineering Services

Keith Woodward

Engineering Services Team

Joanne Gordon	Works Coordinator
Chris Rohan	Works Planning & Projects Officer
Denise Bailey	Works Administration
Andrew Graham	Leading Hand Road Crew
Mathew Gouldsmith	Road Crew
Rodney Ziere	Road Crew
Mark Woods	Road Crew
Jeff Green	Building Maintenance
Rodney McKenzie	Building Maintenance and APH caretaker
Craig Sawley	Town Engineering
Darren Stevens	Town Engineering
Graham Woods	Waste Site part time
Jim Coles	Waste Truck
Troy Wright	Irrigation
Ricky Melvin	Parks
Lisa Sanders	Parks
Ken Cameron	Parks
Vacant	Parks Trainee
Garvin Western	Amenities Cleaner
Katrina Stephens	Public Building Cleaner
Alan Winter	Mechanic

Transport-Roads, Footpaths

Parks and Recreation Grounds

Asset and Building Maintenance

Infrastructure and Community Amenities

Engineering Services

Engineering Services manages the strategic, administrative and operational activities associated with:

- Roads, car parks, signage and footpaths
- Flood mitigation and drainage
- Coastal infrastructure, boat ramps, jetties, water ways and coastal car parks
- Waste truck and landfill operations
- Parks and Gardens, sporting fields, road verges, street trees, passive parklands and irrigation
- Buildings maintenance
- Aviation runway and apron
- Shire heavy and light fleet
- Works Depot
- Engineering workforce
- Bush Fire Brigade and associated equipment
- Civil Project

Major Projects 2012/2013:

Capital Projects General Information

Projects 2012/2013	Value	Status Complete	Completion Date
Learmonth Apron Extension	\$2,050,000	100%	13.4.12
Tantabiddi Boat Ramp and Toilet	\$2,200,000	100%	31.5.12
Shot Hole Canyon Road (Cyclone Carlos Damage)	\$300,000	100%	26.9.12
LIA Reid Street Flood Mitigation Works (Stage 1)	\$2,150,000	100%	12.10.12
Light House Parking Area	\$25,000	100%	19.11.12
Staff Housing	\$950,000	100%	21.11.12
Footpath Stokes-Hughes	\$100,000	100%	15.3.13
Footpath Murat Rd	\$100,000	100%	25.4.13
Fencing Playgroup Bldg	\$37,000	100%	10.5.13
Road Works and Drainage Payne Street and Pool Carpark	\$505,550	100%	24.6.13
Underground Power	\$250,000	100%	23.5.13
Federation Park	\$2,543,032	100%	30.6.13
Oval Lighting	\$500,000	100%	30.6.13
Tantabiddi Toilet Block	\$270,000	100%	30.6.13
Sea Walls Town Beach and Yacht Club	\$543,000	100%	26.7.13

Tantabiddi Boat Ramp Toilets

On the 21 March 2013 Council awarded Tender 02/2013 Construction Tantabiddi Boat Ramp Toilet Block, Exmouth to DLR Building Co. Pty Ltd. The project will include the supply of a 4,500l water tank; plumbing to and within the toilet block; supply and construction of all internal, external, fixtures and fittings; the construction of the toilet block and; supply and installation of septic leach drains.



Charles Knife Road Black Spot Funding

Charles Knife Road is constructed on the Exmouth side of Cape Range. The road is formed and sheeted over a rock subbase. The road was originally an exploration road. At multiple locations there are deep crevasse's located next to the road. This crevasse's are up to 200 metres deep. Most of these locations do not have safety barriers. The road also has bad design issues such as curves, crests, substantial drops and batters exceeding 1.4. In addition the road has inadequate sight distance and gradients in excess of 9%.

Since 2005 the Shire has been successful obtaining Main Roads Black Spot grants to upgrade Charles Knife Road safety barriers. The Shire submitted an application into the Black Spot Program for 2013/2014 financial year and the application was successful. The Black Spot program has approved \$137,000 subject to a Shire contribution of \$68,000 total project cost \$205,000.

The 2013 project focuses on making safe various sections of Charles Knife Road in accordance with the Road Safety Audit and future Geotechnical assessment. The 2013 road works will consist of geotechnical assessment, the installation of safety barriers, minor road drainage works and Black Spot signage.



Talanjee Oval Sports Lights

In December 2012 Council awarded Tender 09/2012 Talanjee Oval Exmouth Sports Lights to NW Construction and Electrical. The tendered works have been 100% completed with the towers and lights being erected weekend 13 July 2013.

The Shire budgeted \$500,000 for this project. \$250,000 was funded by the Department of Sports and Recreation, Racing and Gaming; and \$250,000 from the Shire's own funds which were via the Country Local Government Fund as the compulsory matching contribution.



Revitalisation Projects-Federation Park, Payne Street and Town Beach Seawalls

The purpose of the Exmouth Town Centre Revitalisation Plan and Foreshore and Open Space Development Plan is to set the agenda for future improvement and development of the town centre and foreshore areas in a manner that meets community expectations, the aspirations of the Shire and guide the staging of works over a period of time.

Federation Park: This important community asset was enhanced by closing and removing part of Payne Street and connecting the park to the public swimming pool. A community events space was formalised through development of a multi-use stage, and a water play park was created to complement the more formalised activity that occurs in the public swimming pool. The park was rejuvenated to improve the quality of landscape amenity and levels of shading.

Town beach: The first priority in the staging of the shore was the renovation and enhancement of the existing town beach, which as a popular landmark will provide immediate benefit for the local community and visitors, and signal the intent and commitment of the Shire to implement the master plan.



General

Roads

The Shire and Main Roads Western Australia strategise and plan road projects within the Shire. The Shire's road programs are submitted to Main Roads via the 'Roads 2025' program. This program governs the State and Federal Governments road funding grants to the Shire. The Shire has identified three priority roads which are part of the 'Roads 2025' program; Murat Road, Yardie Creek Road and Ningaloo Access Road.

Murat Road

Murat Road is the only entrance road into the Exmouth town site. The road was originally designed and constructed in 1966 and has not been redesigned since. Murat Road is defined as a Regional Distributor which services a significant tourist destination and the Exmouth community. The current re-engineering of Murat Road is based on the "Road Safety Audit" recommendations and design consultation with Main Roads. The development strategy is to upgrade Murat Road to a standard which allows for increased traffic volumes due to development and increases in tourism. Murat Road is being constructed to a Type 4 standard with improved geometric and intersection design, drainage, road width and surface treatments. In addition improved off road facilities (street lighting, parking, pedestrian and landscaping) will be provided.

Yardie Creek Road

Yardie Creek Road (YCR) provides sealed access to the West Coast of Cape Range up to Yardie Creek. The road services multiple beach accesses and the Cape Range National Park. The development strategy is to upgrade Yardie Creek Road to a Type 4 standard which allows for increased traffic volumes due to development and increases in tourism. The redesign focuses on improved geometric design, drainage, road width and surface treatments.

Ningaloo Access Road

In March 2012 a bush fire started on the southern and northern side of Ningaloo Road. The fire scar is approximately 10 kilometres long interfacing with the road. As a result of the loss of vegetation and the summer wind pattern sand is drifting in a northerly direction over the road. The road conditions sand drift assessed could be described as; very deep sand drifts and complete road coverage varying in depth to 700mm. Sand lumps forming intermittently 3 to 6 metres wide and 5 to 7 metres between formations. The sand drift road reserve volume is estimated at 30,000 to 40,000m³ as of 31 October 2012. Final drift estimates will be undertaken at the end of February 2013. The Shire does not have the financial resources to remove this sand drift.

The increasing financial demands associated with maintaining Ningaloo Road and no increases in funding revenue continues to compound the maintenance and preservation costs associated with the road. Road preservation works such as carriageway reconditioning and construction including

the supply and application of gravel are beyond the Shire's resource and financial capacity. The road construction gravels available in proximity to Ningaloo Road are low quality and would be described calcareous material, shelly sands, coral grave, limestone with a high sand concentrate. These materials have a high failure rate.

The Shire cannot afford or keep up with the level of pavement disintegration that is occurring on Ningaloo Road nor can the Shire afford to purchase and cart processed gravels. Even if the maintenance funds and operations are maintained at the current level, asset value will degrade and then drop in severability. Ultimately it would be expected that much of the Ningaloo Road would effectively revert to a bush track. Over the next 12 months the future of Ningaloo Access Road will be decided by Council.

Gravel Reserves Road Construction and Maintenance

The Shire and the Department of Environment and Conservation organized the "*Biodiversity Values of Basic Raw Materials within Cape Range*" report which establishes what locations can be developed for gravel extraction with minimum impact on the environmental values of Cape Range. The extraction site management plans will be developed in 2012/2013. This plan will manage extraction, operations and rehabilitation of the Shire's Pindan Pit and Gravel Reserves.

Staff and Structure

There were no increases in staffing levels for 2012/2013. The morale of the outdoor work force is good with no lost time to industrial action. Sick leave was maintained to approximately 2.5% of the total job hours allocated. There were no significant work place injuries. The department has monthly safety meetings/and toolbox meeting; minutes are taken. The department is developing the Workplace Safety and Health plans including the associated training.

Staff development programs planned for 2012/2013 and 2013/2014 year include the continuation of Civil Engineering, Horticultural and Administration traineeships. Three staff are undertaking further education in Civil Engineering Works and Horticulture. One staff continuing administrative traineeship.



Waste Collection

Rubbish truck and waste services were delivered consistently over 365 days. Waste management planning in 2010-2011 resolved that a permanently manned waste site including the introduction of fees and charges would be introduced in 2011-2012. This process accords with the "*Shire of Exmouth Land Fill Environmental Management Plan V2 (11 June 2010)*" as endorsed by Council.

Plant and Equipment

The Shire's 10 year fleet replacement program has resulted in a modern fleet of heavy and light vehicles which is rarely seen in small rural Local Governments.

The approach taken to manage the Shire fleet is based on the Institute of Public Works Engineering Australia "*Plant and Vehicle Management*" (IPWEA) program. This will ensure optimum trade cycles and service programming will substantially lower the cost of fleet and plant operations. The

goal is high utilization, optimum replacement, minimum down time and proactive failure management. Fleet utilizations and the fleet replacement program are benchmarked annually against the IPWEA benchmarking guidelines.

Buildings

The building maintenance and preservation budget remains at 2.5% of the insured value of the buildings; 1% for reactive works and; 1.5% for preservation works.

The Exmouth Shire is responsible for the delivery of building facilities in line with the Shire's overarching service delivery agenda and priorities. Accordingly, the Shire's plans are being developed to recognise current and future risks including changes in building and electrical codes, service demands, changes in delivery methods, and changes in the level of resources available.



Statutory Reports

Plan for the Future 2011/12 to 2015/16

The Local Government Act 1995 requires a Plan for the Future to be reviewed biennially and contain details concerning the next two or more financial years.

The Plan identifies the following projects of key strategic importance:

- Affordable Housing project
- Central Business District revitalisation and foreshore development plan
- Ningaloo Centre
- Tantabiddi Boat Ramp
- Light Industrial Area (LIA) Floodway/Reid Street
- Learmonth Airport Apron Extension
- Land release for infill development and town expansion

The full document with all key strategic projects may be obtained from the Shire office.

Strategic Community Plan 2011-2021

As part of the Integrated Planning framework which was introduced by the State Government in July 2012, the Shire of Exmouth adopted its Strategic Community Plan in November 2011 following extensive consultation with the community to provide for the visions and aspirations for the Shire's future direction.

The Plan provides the objectives and strategies for the key themes, including:

- Economic
- Environment
- Social
- Civic Leadership

A copy of the Strategic Community Plan 2011-2021 is available on the Shire's website at www.exmouth.wa.gov.au.

Corporate Business Plan 2013-2017

Council adopted its Corporate Business Plan in June 2013 and provides for the projects that are aligned with the objectives and strategies of the Community Strategic Plan for the next four years. This is also a requirement of the Integrated Planning Reporting Framework.

The Corporate Business Plan provides for the delivery of community services and has been aligned to each objective of the Strategic Community Plan

Record Keeping Plan

In accordance with the State Records Act 2000, the Shire of Exmouth and all its employees are legally obliged to comply with the Shire's Record Keeping Plan. This Plan was endorsed by the State Records Office of Western Australia in 2010 and will be reviewed in 2014.

National Competition Policy Statement

The Competition Principals Agreement is an Inter-government Agreement between the Commonwealth and State/Territory Governments that sets out how government will apply National Competition Policy principles to public sector organisations within their jurisdiction.

The State Government released a Policy Statement effective from July 1996 called the Clause 7 Statement, which forms part of the Competition Principles Agreement. The Clause 7 policy document sets out nominated principles from the Agreement that now apply to Local Government. The provisions of Clause 7 of the Competition Principles Agreement require Local Government to report annually as to the implementation, application and effects of the Competition Policy.

The Competition Principles Agreement, under Clause 7, specifies three broad areas of reporting, they are:

- Competitive Neutrality
- Structural Review of Public Monopolies; and
- Legislative Review

In accordance with the requirements of the National Competition Policy the Shire of Exmouth makes the following disclosure for 2012/13.

Competitive Neutrality

The objective of competitive neutrality is the elimination of resource allocation distortions arising out of local government ownership of significant business activities.

The Shire of Exmouth does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise.

The number of activities to which competitive neutrality principles have been applied in the reporting period is: One (1) – Learmonth Aviation Operations.

The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is: One (1) - Learmonth Aviation Operations

Implementation Timetable

This was carried out by Council and a Report for the operation of the Learmonth Aviation Operations was submitted to the Department of Local Government. The Report is available at the Shire of Exmouth Council Offices. The Report concluded that competitive neutrality not be applied to the Learmonth Aviation Operations. Council will continue to monitor the benefits of applying competitive neutrality on an ongoing basis.

Structural Review of Public Monopolies

In relation to Structural review of public monopolies the Shire of Exmouth discloses the following:

Structural reform principals have been applied to the following number of activities in the reporting period: Zero (0)

Structural reform principals have been considered but not applied to the following number of activities in the reporting period: Zero (0)

Legislative Review

Parties to the National Competition Policy package agreed that legislation should not restrict competition unless:

- The benefits of the restriction to the community as a whole outweigh the costs; and
- The objectives of the legislation can only be achieved by restricting competition.

Accordingly, the Shire of Exmouth is required to implement a systematic review of all its existing legislation to determine whether there are any direct or indirect effects on competition.

In relation to a Legislative Review the Shire of Exmouth discloses that:

As at the reporting date the number of By-laws and Local Laws which have been reviewed and reformed as a result of any legislative review is nine.

- Local Laws Relating to Swimming Pools;
- Local Laws Relating to Fencing;
- Local Laws Relating to Parking;
- Health Local Laws 1998;
- Local Laws relating to Exmouth Public Cemetery;
- Dogs Local Law;
- Local Government Property Local Law;
- Local Law Standing Orders;
- Activities on Thoroughfares and Trading in thoroughfares and Public Places Local Law.

As part of the review of all By-Laws and Local Laws, the following By-Laws are repealed:

By-Laws Relating to:

- ✓ Motels, published in the Government Gazette of 29 April 1964;
- ✓ Old Refrigerators and Cabinets, published in the Government Gazette of 29 April 1964;
- ✓ Petrol Pumps, published in the Government Gazette of 3 August 1966;
- ✓ Storage of Inflammable Liquid, published in the Government Gazette of 29 April 1964;
- ✓ Signs, Hoardings and Billposting, published in the Government Gazette of 29 April 1964;
- ✓ Deposit of Refuse and Litter, published in the Government Gazette of 11 November 1965;
- ✓ Clearing of Land and depositing and Removal of refuse, Rubbish and Disused Materials, published in the Government Gazette of 16 November 1966;
- ✓ Holiday Cabins and Chalets, published in the Government Gazette of 31 October 1968;
- ✓ Vehicle Wrecking, published in the Government Gazette of 24 March 1969;
- ✓ Sick Leave, published in the Government Gazette of 17 November 1972.

Legislative Review and Reform Strategy

The Shire of Exmouth will ensure that any proposals for the development of new Local Laws from January 1, 1997 will take into account the requirements of Clause 7 of the Competition Policy Statement.

Freedom of Information

During 2012/13 Financial Year, the Shire of Exmouth received 1 request for information under the Freedom of Information Act 1992. This was actioned in accordance with requirements of the Act.

Register of Complaints

Division 5 and Division 9 of the Local Government Act 1995 set out the statutory obligations of the Shire in respect of annual report and the conduct of certain officials. Section 5.121 details specific requirements in respect of the need to record details of entries made during the financial year in the register of complaints of minor breaches.

For the period ended 30 June 2013, the CEO had received nil complaints.

Disability Access and Inclusion Plan

Ongoing implementation of the Shire's Disability Access & Inclusion Plan (DAIP) took place during the year 2012-2013.

The Shire's DAIP was also reviewed during the year with input from community members and agencies. Council adopted the plan which will guide the whole of Shire approach to access and inclusion in coming years.

The new Disability Access & Inclusion Plan (DAIP) 2013-2018 was developed in accordance with current legislation. In doing so, the Shire committed to an extensive planning process that included:

- A review of the previous DAIP.
- Desktop audit of achievements against the DAIP strategies.
- Consultation with key stakeholders and residents.
- Development of a five-year DAIP 2013-2018.
- 21 day period of public comment for the draft DAIP.
- Formal endorsement of the DAIP 2013-2018 by the Council of the Shire of Exmouth in August 2013.

The Shire of Exmouth lodged the DAIP 2013-2018 with the Disability Services Commission (DSC) and has since received confirmation from DSC that it meets the requirements of the *Disability Services Amendment Act (WA) 2004*.

Over the years, the Shire has continued to implement various initiatives and programs contained within the DAIP. The Shire of Exmouth has upgraded many Existing facilities and services, within budget constraints.

The Shire reports on the achievements of the Plan on an annual basis to the Disability Services Commission.

Outcomes towards the Shire of Exmouth's Disability Access & Inclusion Plan

1. *People with disabilities have the same opportunities as other people to access the services of, and any events organised by, a public authority:*
 - Access to Shire organised events enables people with disabilities to attend. This includes Australia Day, commemorative services and community celebrations.
2. *People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority:*
 - Ongoing footpath improvements like installation of on/off ramps, replacement of uneven slabs and maintenance of dual use paths network.
 - Maintenance of ACROD parking bays like re-marking of bays, monitoring of appropriate use by Ranger Services
 - Provision of assistance to Exmouth Hospital regarding footpath standards and maintenance.

3. *People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it:*
 - A wide range of information is made available to all residents of Exmouth via the Shire's monthly newsletter, emails, Community Notice Board, website and local newspapers/radio;
 - Information can be made available on request in a variety of formats, where practicable;
 - The Shire's website underwent a major revamp in 2013 and is better accessible and easier to navigate.

4. *People with disabilities receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority:*
 - All Shire employees read and sign an Induction Manual agreeing to adhere to a range of policies and procedures which includes an Equal Opportunities policy
 - The Executive Manager Community Engagement has a designated responsibility for access and inclusion issues and seeks professional advice from organisations such as the Disability Services Commission and WALGA as appropriate.

5. *People with disabilities have the same opportunities as other people to make complaints to a public authority:*
 - The Shire has a formal complaints procedure and complaints can be made in person, in writing, via phone, fax or email and via the feedback mechanism on the website.

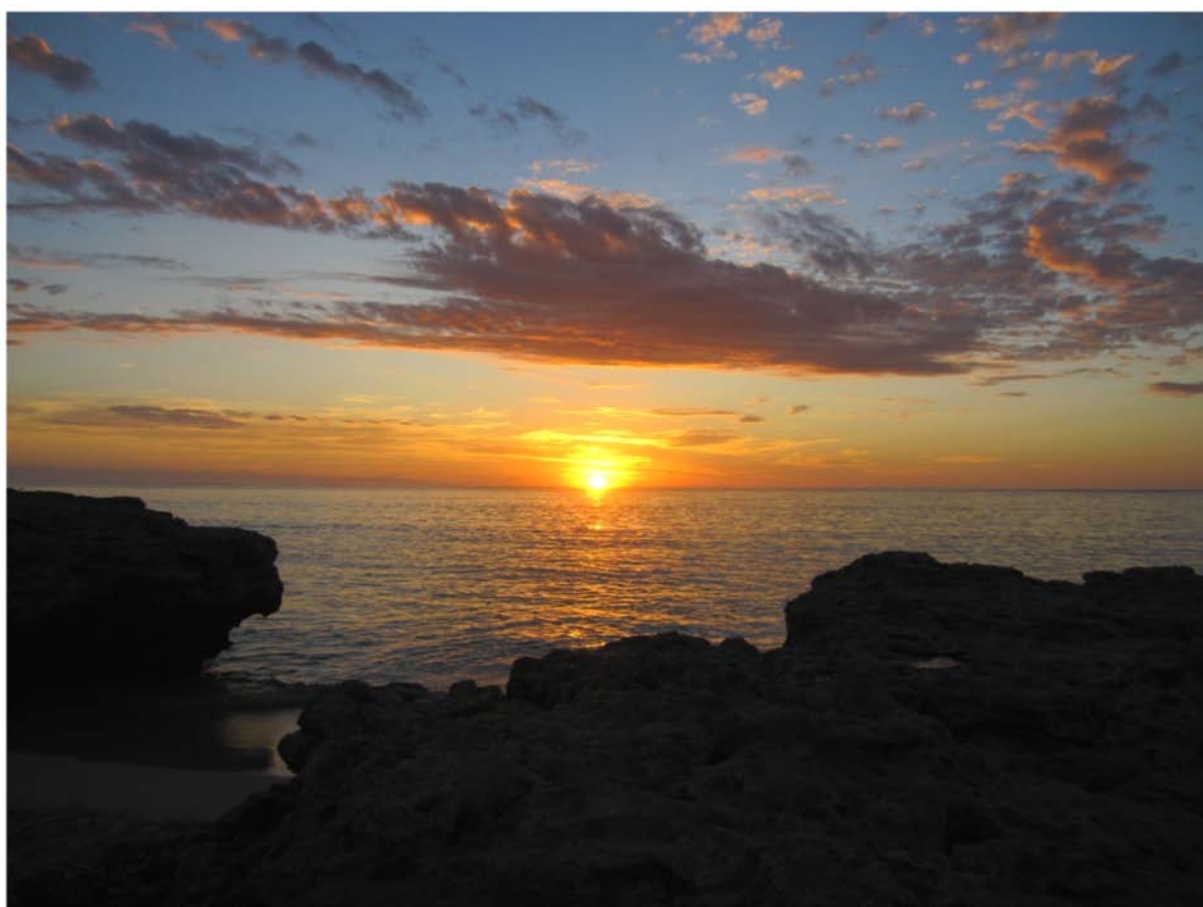
6. *People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority:*
 - The Shire has a number of Committees which include community representatives and all members of our community are welcome to nominate at the appropriate time.
 - The Shire's monthly Ordinary Council Meeting agendas and minutes are available on the website. Council meetings are open to the public and there is an opportunity for members of the public to ask questions at each meeting.
 - The Shire continues to undertake community and stakeholder consultation across a wide range of issues and these processes are open to all who wish to participate and contributions can be made in a variety of ways: face to face, phone, electronic, in writing etc. The Shire ensures that all venues used are accessible to people with disabilities.

Employees Remuneration

Set out below, in bands of \$10,000 is the number of employees of the Shire entitled to an annual salary or \$100,000 or more.

Salary Range (\$)	2013	2012	2011	2010	2009
100,000 – 109,999					
110,000 – 119,999				1	1
120,000 – 129,999		2	1		
130,000 – 139,999					
140,000 – 149,999					
150,000 – 159,000	1				

Financial Services



SHIRE OF EXMOUTH

2012/13 Financial Report

TABLE OF CONTENTS

Statement by Chief Executive Officer
Statement of Comprehensive Income by Nature or Type
Statement of Comprehensive Income by Program
Statement of Financial Position
Statement of Changes in Equity
Statement of Cash Flows
Rate Setting Statement

Notes to and Forming Part of the Financial Report

1	Significant Accounting Policies
2	Revenues and Expenses
3	Cash and Cash Equivalents
4	Investments
5	Trade and Other Receivables
6	Inventories
7	Property, Plant and Equipment
8	Infrastructure
9	Other Non Current Assets
10	Trade and Other Payables
11	Long Term Borrowings
12	Provisions
13	Reserves - Cash Backed
14	Reserves - Asset Revaluation
15	Notes to the Cash Flow Statement
16	Contingent Liabilities/Assets
17	Capital and Leasing Commitments
18	Joint Venture
19	Total Assets Classified by Function and Activity
20	Financial Ratios
21	Trust Funds
22	Disposal of Assets
23	Information on Borrowings
24	Rating Information
25	Specified Area Rate
26	Service Charges
27	Discounts, Incentives, Concessions and Write-Offs
28	Interest Charges and Instalments
29	Fees and Charges
30	Grant Revenue
31	Councillors Remuneration
32	Employee Numbers
33	Major Land Transactions
34	Trading Undertakings and Major Trading Undertakings
35	Financial Risk Management
	Supplementary Ratio Information

Independent Audit Report

**SHIRE OF EXMOUTH
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 Exmouth being the annual financial report and supporting notes and other information for the financial year ended 30th June 2013 are in my opinion properly drawn up to present fairly the financial position of the Shire of Exmouth at 30th June 2013 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and regulations under that Act.

Signed on the 12th day of November 2013.



B Price
Chief Executive Officer

SHIRE OF EXMOUTH
Statement of Comprehensive Income
By Nature or Type
for the Year Ended 30 June 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Rates	24	2,964,770	2,978,095	2,842,656
Operating Grants, Subsidies & Contributions	30	3,192,842	2,866,257	3,322,004
Fees and Charges	29	7,703,203	6,800,037	6,570,370
Interest Earnings	2(a)	417,166	220,371	423,292
Other Revenue		266,895	211,608	116
		<u>14,544,877</u>	<u>13,076,369</u>	<u>13,158,439</u>
Expenses				
Employee Costs		(5,326,440)	(6,415,812)	(4,754,200)
Materials and Contracts		(3,112,758)	(3,106,026)	(3,188,663)
Utility Charges		(628,671)	(744,704)	(612,578)
Depreciation on Non-current Assets	2(a)	(3,184,433)	(2,474,913)	(2,254,606)
Interest Expenses	2(a)	(91,743)	(110,368)	(58,147)
Insurance Expenses		(451,297)	(414,607)	(327,615)
Other Expenditure		(1,401,115)	(912,716)	(505,650)
		<u>(14,196,457)</u>	<u>(14,179,145)</u>	<u>(11,701,459)</u>
		348,421	(1,102,776)	1,456,981
Non Operating Grants, Subsidies & Contributions	30	4,910,840	12,212,791	6,102,016
Profit on Asset Disposals	22	132,706	96,024	13,636
Loss on Asset Disposals	22	(386,052)	(38,463)	(3,576)
NET RESULT		<u>5,005,915</u>	<u>11,167,576</u>	<u>7,569,057</u>
Other Comprehensive Income				
Changes on revaluation of non-current assets	14	<u>(533,835)</u>	<u>0</u>	<u>0</u>
Total Other Comprehensive Income		<u>(533,835)</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u><u>4,472,080</u></u>	<u><u>11,167,576</u></u>	<u><u>7,569,057</u></u>

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

SHIRE OF EXMOUTH
Statement of Comprehensive Income
By Program

for the Year Ended 30 June 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
	2(a)			
General Purpose Funding		5,177,807	4,017,062	5,511,983
Governance		9,311	0	8,233
Law, Order, Public Safety		65,004	57,730	56,725
Health		46,768	41,143	48,118
Education and Welfare		118,654	94,563	110,954
Housing		233,817	207,508	254,895
Community Amenities		1,106,761	1,157,575	1,439,981
Recreation and Culture		901,305	1,081,881	157,631
Transport		6,407,627	5,876,992	4,990,439
Economic Services		323,303	455,364	357,127
Other Property and Services		154,518	86,550	218,778
		<u>14,544,875</u>	<u>13,076,369</u>	<u>13,154,864</u>
Expenses Excluding Finance Costs				
	2(a)			
General Purpose Funding		(77,575)	(38,871)	(77,818)
Governance		(424,719)	(536,332)	(450,149)
Law, Order, Public Safety		(307,560)	(336,141)	(280,949)
Health		(214,996)	(240,332)	(245,846)
Education and Welfare		(190,944)	(179,166)	(164,975)
Housing		(383,823)	(224,777)	(363,102)
Community Amenities		(2,473,330)	(2,331,687)	(2,230,763)
Recreation & Culture		(3,064,208)	(3,335,143)	(2,165,008)
Transport		(6,180,995)	(5,672,475)	(4,555,321)
Economic Services		(704,668)	(1,146,463)	(980,565)
Other Property and Services		(81,893)	(27,390)	(125,240)
		<u>(14,104,711)</u>	<u>(14,068,777)</u>	<u>(11,639,736)</u>
Finance Costs				
	2(a)			
Housing		(62,552)	(81,438)	(21,732)
Community Amenities		(9,390)	(9,390)	(14,685)
Recreation & Culture		(405)	(381)	(894)
Other Property & Services		(19,396)	(19,159)	(20,836)
		<u>(91,743)</u>	<u>(110,368)</u>	<u>(58,147)</u>
Non Operating Grants Subsidies & Contributions				
Law, Order, Public Safety		9,018	9,018	151,849
Housing		0	0	244,756
Community Amenities		0	373,470	0
Recreation & Culture		2,772,816	4,867,040	2,573,027
Transport		2,069,805	6,805,263	3,043,983
Economic Services		59,200	158,000	88,400
		<u>4,910,840</u>	<u>12,212,791</u>	<u>6,102,016</u>
Profit/(Loss) on Disposal of Assets				
Other Property & Services		(253,346)	57,561	10,060
		<u>(253,346)</u>	<u>57,561</u>	<u>10,060</u>
NET RESULT		5,005,915	11,167,576	7,569,057
Other Comprehensive Income				
Changes on revaluation of non-current assets	14	(533,835)	0	0
Total Other Comprehensive Income		(533,835)	0	0
TOTAL COMPREHENSIVE INCOME		4,472,080	11,167,576	7,569,057

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

SHIRE OF EXMOUTH
Statement of Financial Position
As at 30 June 2013

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	8,162,348	8,526,511
Trade and Other Receivables	5	3,096,400	3,203,509
Inventories	6	55,088	36,960
TOTAL CURRENT ASSETS		<u>11,313,836</u>	<u>11,766,980</u>
NON-CURRENT ASSETS			
Other Receivables	5	372,710	103,288
Property, Plant and Equipment	7	36,515,701	12,480,318
Infrastructure	8	34,427,824	26,425,240
Other	9	0	3,856,994
		<u>71,316,235</u>	<u>42,865,840</u>
TOTAL ASSETS		<u>82,630,071</u>	<u>54,632,820</u>
CURRENT LIABILITIES			
Trade and Other Payables	10	1,675,196	1,961,312
Current Portion of Long Term Borrowings	11	214,637	216,397
Provisions	12	719,963	603,898
TOTAL CURRENT LIABILITIES		<u>2,609,796</u>	<u>2,781,607</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	11	1,447,231	1,665,695
Provisions	12	95,287	66,107
TOTAL NON-CURRENT LIABILITIES		<u>1,542,518</u>	<u>1,731,802</u>
TOTAL LIABILITIES		<u>4,152,314</u>	<u>4,513,409</u>
NET ASSETS		<u>78,477,757</u>	<u>50,119,411</u>
EQUITY			
Retained Surplus		37,955,999	32,536,715
Reserves - Cash/Investment Backed	13	7,183,436	8,130,640
Reserves - Asset Revaluation	14	33,338,322	9,452,056
TOTAL EQUITY		<u>78,477,757</u>	<u>50,119,411</u>

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

SHIRE OF EXMOUTH
Statement of Changes in Equity
for the Year Ended 30 June 2013

	RETAINED SURPLUS	RESERVES CASH/ INVESTMENT BACKED	REVALUATION SURPLUS	TOTAL EQUITY
	\$	\$	\$	\$
Balance as at 1 July 2011	28,161,111	4,937,183	9,452,056	42,550,350
Changes in Accounting Policy	0	0	0	0
Restated Balance	<u>28,161,111</u>	<u>4,937,183</u>	<u>9,452,056</u>	<u>42,550,350</u>
Comprehensive Income				
Net Result	7,569,057			7,569,057
Total Other Comprehensive Income	0	0	0	0
Correction of Errors	4			4
Total Other Comprehensive Income	<u>7,569,061</u>	<u>0</u>	<u>0</u>	<u>7,569,061</u>
Transfer from/(to) Reserves	<u>(3,193,457)</u>	<u>3,193,457</u>	<u>0</u>	<u>0</u>
Balance as at 30 June 2012	<u>32,536,715</u>	<u>8,130,640</u>	<u>9,452,056</u>	<u>50,119,411</u>
Comprehensive Income				0
Net Result	4,472,080	0	0	4,472,080
Change on Revaluation of Non-Current Assets			23,886,266	23,886,266
Total Other Comprehensive Income	<u>4,472,080</u>	<u>0</u>	<u>23,886,266</u>	<u>28,358,346</u>
Transfer from/(to) Reserves	<u>947,204</u>	<u>(947,204)</u>	<u>0</u>	<u>0</u>
Balance as at 30 June 2013	<u>37,955,999</u>	<u>7,183,436</u>	<u>33,338,322</u>	<u>78,477,757</u>

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

SHIRE OF EXMOUTH

Statement of Cash Flows

for the Year Ended 30 June 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,801,807	3,275,905	2,776,365
Operating Grants, Subsidies & Contributions		3,192,842	2,866,257	3,322,004
Fees and Charges		7,993,720	7,140,039	5,527,566
Interest Earnings		417,166	220,371	423,292
Goods and Services Tax		1,199,019	1,444,301	724,729
Other Revenue		266,896	211,608	117
		<u>15,871,450</u>	<u>15,158,481</u>	<u>12,774,073</u>
Payments				
Employee Costs		(5,181,195)	(6,485,361)	(4,622,247)
Materials and Contracts		(3,359,779)	(3,319,403)	(2,325,618)
Utility Charges		(657,283)	(762,258)	(505,289)
Insurance Expenses		(451,297)	(414,607)	(327,615)
Interest Expenses		(91,743)	(110,368)	(58,147)
Goods and Services Tax		(1,227,386)	(1,444,301)	(996,575)
Other Expenditure		(1,429,727)	(912,716)	(398,361)
		<u>(12,398,409)</u>	<u>(13,449,012)</u>	<u>(9,233,851)</u>
Net Cash Provided By Operating Activities	15(b)	<u>3,473,041</u>	<u>1,709,469</u>	<u>3,540,222</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(2,651,015)	(6,667,635)	(1,794,265)
Payments for Construction of Infrastructure		(5,869,769)	(11,022,996)	(6,217,778)
Grants/Contributions for the Development of Assets		4,910,840	12,212,791	6,102,016
Proceeds from Sale of Plant & Equipment		254,462	234,000	49,091
		<u>(3,355,482)</u>	<u>(5,243,839)</u>	<u>(1,860,936)</u>
Net Cash Used in Investing Activities		<u>(3,355,482)</u>	<u>(5,243,839)</u>	<u>(1,860,936)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(220,222)	(220,223)	(177,855)
Community Loan Advances		(334,000)	0	(50,000)
Proceeds from New Debentures		0	0	1,000,000
Proceeds from Community Loans		72,500	0	6,041
		<u>(481,722)</u>	<u>(220,223)</u>	<u>778,186</u>
Net Cash Provided By (Used In) Financing Activities		<u>(481,722)</u>	<u>(220,223)</u>	<u>778,186</u>
Net Increase (Decrease) in Cash Held		<u>(364,163)</u>	<u>(3,754,593)</u>	<u>2,457,472</u>
Cash at Beginning of Year		8,526,511	8,510,444	6,069,039
Cash and Cash Equivalents at the End of Year	15(a)	<u><u>8,162,348</u></u>	<u><u>4,755,851</u></u>	<u><u>8,526,511</u></u>

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

SHIRE OF EXMOUTH

Rate Setting Statement

for the Year Ended 30 June 2013

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
REVENUES				
General Purpose Funding		2,265,914	1,038,967	2,669,327
Governance		9,311	0	8,233
Law, Order, Public Safety		74,022	66,748	208,574
Health		46,768	41,143	48,118
Education and Welfare		118,654	94,563	110,954
Housing		233,817	207,508	499,651
Community Amenities		1,106,761	1,531,045	1,439,981
Recreation and Culture		3,674,121	5,948,921	2,730,658
Transport		8,477,432	12,682,255	8,034,422
Economic Services		382,503	613,364	445,527
Other Property and Services		287,226	182,574	222,355
		<u>16,676,529</u>	<u>22,407,089</u>	<u>16,417,800</u>
EXPENSES				
General Purpose Funding		(77,575)	(38,871)	(77,818)
Governance		(424,719)	(536,332)	(450,149)
Law, Order, Public Safety		(307,560)	(336,141)	(280,949)
Health		(214,996)	(240,332)	(245,846)
Education and Welfare		(190,944)	(179,166)	(164,975)
Housing		(446,375)	(306,215)	(384,834)
Community Amenities		(2,482,720)	(2,341,077)	(2,230,763)
Recreation & Culture		(3,064,613)	(3,335,524)	(2,165,902)
Transport		(6,180,995)	(5,672,475)	(4,555,321)
Economic Services		(704,668)	(1,146,463)	(980,565)
Other Property and Services		(1,021,179)	(85,013)	(139,593)
		<u>(15,116,343)</u>	<u>(14,217,609)</u>	<u>(11,676,714)</u>
Net Result Excluding Rates		1,560,186	8,189,480	4,741,086
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
Initial Recognition of Assets Due to Change in Regulations				
Changes on revaluation of non-current assets	2(a)(ii)	533,835	0	0
(Profit)/Loss on Asset Disposals	22	253,346	(57,561)	(10,060)
Movement in Accrued Interest				
Movement in Deferred Pensioner Rates (Non-Current)		(4,922)	0	(2,786)
Movement in Employee Benefit Provisions		145,245	0	131,951
Depreciation and Amortisation on Assets	2(a)	3,184,433	2,474,913	2,254,606
Capital Expenditure and Revenue				
Purchase Land and Buildings		(364,706)	(4,245,737)	(226,213)
Purchase Infrastructure Assets - Roads		(1,460,765)	(6,076,147)	(382,446)
Purchase Infrastructure Assets - Other		(5,288,028)	(4,946,849)	(2,016,405)
Purchase Plant and Equipment		(1,036,128)	(1,383,998)	(710,658)
Purchase Furniture and Equipment		(397,549)	(1,036,400)	(819,329)
Purchase Paintings & Sculptures		0	(1,500)	0
Payments for Works in Progress		26,393	0	(3,856,993)
Proceeds from Disposal of Assets	22	254,462	234,000	49,091
Repayment of Debentures	23	(220,222)	(220,223)	(177,855)
Proceeds from New Debentures	23	0	0	1,000,000
Proceeds from Community Groups		72,500	21,000	6,041
Advances to Community Groups		(334,000)	0	(50,000)
Transfers to Reserves (Restricted Assets)	13	(3,494,752)	(2,085,300)	(4,774,596)
Transfers from Reserves (Restricted Assets)	13	4,441,956	4,512,296	1,581,139
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	24(b)	1,668,027	1,643,931	2,103,482
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	24(b)	2,451,204	0	1,668,027
Amount Required to be Raised from Rates	24 (a)	<u>(2,911,893)</u>	<u>(2,978,095)</u>	<u>(2,827,972)</u>

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

SHIRE OF EXMOUTH

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 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

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 payable 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.

(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 on the Statement of Financial Position.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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

(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, 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.

(g) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

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

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

- (a) for the financial year ending on 30 June 2013, the fair value of all the assets of the local government that 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.

SHIRE OF EXMOUTH

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)

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. They were then classified as Land and revalued along with other land in accordance with other policies detailed in this Note.

Whilst they would be initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings as at 30 June 2013.

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 Council includes the cost of all materials used in the 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 that 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

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

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 (Level 1 inputs in the fair value hierarchy).

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 costs 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 of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

SHIRE OF EXMOUTH

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)

Revaluation (continued)

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.

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 AASB13 - Fair Value Measurement

Whilst the new accounting standard in relation to Fair Value, AASB 13 - Fair Value Measurement does not become applicable until 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 AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16 (a)(i) prohibits local governments from recognising such land as an asset.

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

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

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

SHIRE OF EXMOUTH

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 systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

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

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

Buildings	40 Years
Furniture and Equipment	
Electronic Equipment	3-5 Years
All other Items	5-10 Years
Plant and Equipment	
Heavy Plant & Equipment	3-10 Years
Light to Medium Vehicles	2-5 Years
Light Mobile Equipment	2 Years
Infrastructure	
Road Base Construction	40 Years
Road Seals - Aggregate	12 Years
Road Seals - Asphalt	20 Years
Road (Unsealed) - Gravel	8 Years
Road (Unsealed) - Unformed	6 Years
Road Kerb	50 Years
Bridges	50 Years
Drains/Sewers	75 Years
Airfield - Runways	12 Years
Other	50-100 Years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Capitalisation Thresholds

Buildings	\$3,000
Heavy Plant & Equipment	\$1,000
Light to Medium Vehicles	\$1,000
Light Mobile Equipment	\$500
Furniture and Equipment	
Electronic Equipment	\$500
All Other Items	\$1,000
Infrastructure	\$5,000

SHIRE OF EXMOUTH

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 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 method used is to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discount) through the expected life (or when this cannot be reliably predicated, 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 EXMOUTH

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 or determinable payments and fixed maturities and 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 non current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

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

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

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other 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 assess 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 to profit or loss at this point.

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 continual involvement in the risks and benefits associated with the asset.

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with the other standard.

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

(k) Trade and Other Payables

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

(l) Employee Benefits

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

(n) Provisions

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

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

(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.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Leases (continued)

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, the 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.

(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.

Where the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of the gain or loss that is 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 Shire of Exmouth contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 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.

(v) Comparative Figures

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

When 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 EXMOUTH

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 as follows:

	Title and Topic	Issued	Applicable ⁽¹⁾	Impact
(i)	AASB 9 - Financial Instruments	December 2009	1 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
	AASB 2012 - 6 Amendments to Australian Accounting Standards - Mandatory effective date of AASB 9 and Transition Disclosures	September 2012	Deferred AASB 9 until 1 January 2015	
(ii)	AASB 2009 - 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023, & 1038 and Interpretations 10 & 12]	December 2009	1 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).
(iii)	AASB 2010 - 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and interpretations 2, 5, 10, 12, 19 & 127]	December 2010	1 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 EXMOUTH

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 ⁽¹⁾	Impact
(iv)	AASB 10 - Consolidated Financial Statements AASB 11 - Joint Arrangements AASB 12 - Disclosure of Interests in Other Entities AASB 127 - Separate Financial Statements AASB 128 - Investments in Associates and Joint Ventures AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 131, 138, 139, 1023 & 1038] and Interpretations 5, 9, 16 & 17]	August 2011	1 January 2013	Nil - None of these except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supersede 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.
(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	1 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 on 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 & 2011 - 8 and Interpretation 14]	September 2011	1 January 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
(vii)	AASB 2012 - 2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	1 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 EXMOUTH

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 ⁽¹⁾	Impact
(viii)	AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2013	1 January 2014	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. This Standard is not expected to significantly impact the Council's financial statements.
(ix)	AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB1, 101, 116, 132, 134 and Interpretation 2]	June 2012	1 January 2013	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.
(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	1 January 2013	Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.

SHIRE OF EXMOUTH

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 not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

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 EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

2. REVENUES AND EXPENSES

2013
\$

2012
\$

(a) Net Result

The Net Result includes:

(i) Charging as an Expense:

Auditors Remuneration

- Audit of the financial report	16,827	11,099
- Financial Management Review	2,750	0

Depreciation

Buildings	615,317	297,592
Furniture and Equipment	396,703	310,269
Plant and Equipment	446,234	332,985
Infrastructure Other	591,563	498,933
Infrastructure Roads	1,134,616	814,827
	<u>3,184,433</u>	<u>2,254,606</u>

Interest Expenses (Finance Costs)

Debentures (refer Note 23(a))	91,743	58,147
	<u>91,743</u>	<u>58,147</u>

(ii) Crediting as Revenue:

2013
\$

2013
Budget
\$

2012
\$

Interest Earnings

Investments - Reserve Funds	148,823	124,959	179,980
- Other Funds	147,115	60,000	148,139
Other Interest Revenue (refer note 28)	121,228	35,412	95,173
	<u>417,166</u>	<u>220,371</u>	<u>423,292</u>

Grants & Subsidies

Early receivable of Financial Assistance Grant from WA Grants Commission.	<u>948,700</u>	<u>0</u>	<u>902,840</u>
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SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of Exmouth is dedicated to providing high quality services to the community. In consultation with the community, Council developed a Strategic Community Plan in 2011. The Plan outlines the Shires' vision and key strategic objectives for 10+ years.

SHIRE VISION:

To be welcoming custodians embracing our past, valuing our present and planning for the future.

The Shires' key strategic objectives are:

ECONOMIC

To be a diverse and innovative economy with a range of local employment opportunities.

ENVIRONMENT

To have a balanced respect for our environment and heritage, both natural and built.

SOCIAL

To be a dynamic, passionate and safe community valuing natural and cultural heritage.

CIVIC LEADERSHIP

To work together as custodians for now and the future.

GOVERNANCE

The maintenance of a representative body of the community members elected to fill the role of Councillors and President as required by the Local Government Act 1995.

GENERAL PURPOSE FUNDING

The collection of rate revenue and the maintenance of valuation and rating records to support the collection process.

LAW, ORDER, PUBLIC SAFETY

The provision of bush fire control services, animal control and support for emergency services as well as the maintenance and enforcement of local laws.

HEALTH

Maternal and Infant Health, preventative services and environmental health.

EDUCATION AND WELFARE

To support and maintain education and aged and disabled care.

HOUSING

The provision of housing to staff members and aged persons.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Maintenance of rubbish service to residents and maintenance of sanitary landfill sites. Town planning and regional development, maintenance of cemeteries and other community amenities.

RECREATION AND CULTURE

The provision and maintenance of recreational and cultural facilities.

TRANSPORT

The provision and maintenance of new and improved road and aerodrome infrastructure.

ECONOMIC SERVICES

The promotion of the district to increase economic activities and the provision of building control within the shire.

OTHER PROPERTY & SERVICES

The provision of private works to the public and the maintenance of cost pools for plant operating, public works overheads and administration costs.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

2. REVENUES AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/Activity	Opening	Received (2)	Expended (3)	Closing	Received (2)	Expended (3)	Closing
		Balance (1) 1/7/11	2011/12	2011/12	Balance (1) 30/06/2012	2012/13	2012/13	Balance 30/06/2013
		\$	\$	\$	\$	\$	\$	\$
DEC - Bushfire Mitigation Fund	Law, Order, Public Safety	26,076	1,261	0	27,337	633	0	27,970
DLG - Cat Act	Law, Order, Public Safety	0	0	0	0	2,535	0	2,535
Dept of Planning	Community Amenities	0	51,568	0	51,568	79,342	0	130,910
Revitalisation & Foreshore Development	Community Amenities	79,844	80,338	0	160,182	0	(160,182)	0
CLGF Flood Lighting Talanjee Oval	Recreation & Culture	0	205,478	0	205,478	0	(205,478)	0
CLGF Water Playground	Recreation & Culture	0	157,767	0	157,767	0	(157,767)	0
Country Arts Youth Program	Recreation & Culture	0	12,000	0	12,000	277	0	12,277
Joint Use EDHS Hard Courts	Recreation & Culture	350,760	0	(350,760)	0	0	0	0
Landcorp - Water Playground	Recreation & Culture	258,803	15,530	0	274,333	0	(274,333)	0
Marina Breakwater NavAid	Recreation & Culture	22,310	1,078	0	23,388	542	0	23,930
Tantabiddi Boat Ramp	Recreation & Culture	20,000	263,235	0	283,235	0	(28,467)	254,768
Youth Leadership Program	Recreation & Culture	0	0	0	0	10,500	0	10,500
CSRFF Oval Lighting	Recreation & Culture	0	0	0	0	53,993	0	53,993
R4R Foreshore Works	Recreation & Culture	0	0	0	0	441,652	0	441,652
CLGF Renewable Energy Project	Transport	0	55,627	0	55,627	0	(55,627)	0
DEC Contribution Flood Damage	Transport	22,303	1,078	0	23,381	0	(23,381)	0
Dept of Lands Flood Mitigation Reid St	Transport	0	41,682	0	41,682	0	(41,682)	0
Landcorp - Marina Grant	Transport	352,148	17,030	0	369,178	8,550	0	377,728
Main Roads PACE Retreat	Transport	0	40,195	0	40,195	931	0	41,126
Reid St Flood Mitigation Works	Transport	150,000	0	(150,000)	0	0	0	0
MRWA Blackspot Funding	Transport	0	0	0	0	92,310	0	92,310
MRWA Murat Road	Transport	0	0	0	0	83,840	0	83,840
Chevron - Display Banners	Economic Services	0	5,000	0	5,000	115	0	5,115
Dept of Sustain - Interpretive Signage	Economic Services	0	21,200	0	21,200	0	0	21,200
Dept of Sustain - Lantern & Film Making	Economic Services	0	17,620	0	17,620	0	(17,620)	0
Landscape Experience	Economic Services	0	0	0	0	19,000	0	19,000
Dry Season Assistance Grant	Economic Services	10,000	0	(10,000)	0	0	0	0
TOTAL		1,292,244	987,687	(510,760)	1,769,171	794,220	(964,537)	1,598,854

Notes:

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

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

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

	2013	2012
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	978,912	395,871
Restricted - Reserves	7,183,436	8,130,640
	<u>8,162,348</u>	<u>8,526,511</u>

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

Community Interest Free Loans Reserve	147,458	322,944
Community Development Fund Reserve	962,738	550,000
Leave Reserve	554,956	613,253
Plant Reserve	501,416	936,066
Waste Management Reserve	146,730	143,409
Public Open Space Reserve	793	281,961
Swimming Pool Reserve	351,045	284,457
Shire Staff Housing Reserve	984,071	962,572
Airport Reserve	1,384,480	483,704
Airport Security Equipment Reserve	0	1,096,220
Rehabilitation Reserve	430,770	391,223
Marina Village Asset Replace & Preservation Reserve	5,448	5,324
Building Infrastructure Preservation Reserve	49,032	47,922
Industrial Area Roads Reserve	28,665	28,016
Town Planning Scheme Reserve	10,897	10,650
Unspent Grants & Contributions Reserve	1,598,854	1,769,171
Carried Over Projects Reserve	26,083	203,748
	<u>7,183,436</u>	<u>8,130,640</u>

4. INVESTMENTS

The Shire of Exmouth had no non bank financial instruments during 2012/13. All funds were held as cash with investments made in short term deposits.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

	2013	2012
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	979,647	821,606
Sundry Debtors & Receivables	1,812,540	2,103,057
GST Receivable	300,213	271,846
Loans - Clubs/Institutions	4,000	7,000
	<u>3,096,400</u>	<u>3,203,509</u>
Non-Current		
Rates Outstanding - Pensioners	18,210	13,288
Loans - Clubs/Institutions	354,500	90,000
	<u>372,710</u>	<u>103,288</u>
6. INVENTORIES		
Current		
Fuel and Materials	55,088	36,960
	<u>55,088</u>	<u>36,960</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

	2013 \$	2012 \$
7. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2013	7,680,000	0
- Cost	<u>0</u>	<u>0</u>
	7,680,000	0
Buildings at:		
- Independent Valuation 2013	27,798,368	0
- Management Valuation 2013	631,425	0
- Cost		13,004,087
Less Accumulated Depreciation	<u>(3,974,760)</u>	<u>(3,695,934)</u>
Total Buildings	24,455,033	9,308,153
Total Land & Buildings	<u>32,135,033</u>	<u>9,308,153</u>
Furniture and Equipment		
- Independent Valuation 2013	2,552,997	0
- Management Valuation 2013	320,840	0
- Cost	0	2,354,575
Less Accumulated Depreciation	<u>(1,264,183)</u>	<u>(1,311,673)</u>
	1,609,654	1,042,902
Plant and Equipment		
- Independent Valuation 2013	4,516,936	0
- Management Valuation 2013	30,481	0
- Cost	0	4,338,430
Less Accumulated Depreciation	<u>(1,776,403)</u>	<u>(2,209,167)</u>
	2,771,014	2,129,263
	<u>36,515,701</u>	<u>12,480,318</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Land and Buildings

The Shire's land and buildings were revalued at 1 October 2012 by independent valuers.

In relation to land and non-specialised buildings, valuations were made on the basis of observable open market values of similar assets, adjusted for condition and comparability, at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regard to specialised buildings, these were valued having regard for their current replacement costs utilising both observable and unobservable inputs being construction costs based on recent contract prices, current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs).

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

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

The revaluation resulted in an overall increase of \$22,833,063 in the net value of the Shire's land and buildings. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 14(a) for further details) and was recognised as Changes on Revaluation of Non-Current Assets in the Statement of Comprehensive Income.

Plant & Equipment

The Shire's Plant 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 \$432,466 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 14(b) for further details) and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

Furniture & Equipment

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

The revaluation resulted in an overall increase of \$618,738 in the net value of the Shire's Furniture & Equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 14(c) for further details) and was recognised as Changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land (Level 2) \$	Non Specialised Buildings (Level 2) \$	Specialised Buildings (Level 3) \$	Total Buildings \$	Total Land & Buildings \$	Plant & Equipment (Level 2) \$	Furniture & Equipment (Level 3) \$	Total \$
Balance at beginning of the year	0	9,308,153		9,308,153	9,308,153	2,129,263	1,042,902	12,480,318
Additions	0	1,238,473		1,238,473	1,238,473	1,036,128	500,360	2,774,961
(Disposals)	0	(301,264)		(301,264)	(301,264)	(182,697)	(69,247)	(553,208)
Revaluation - Increments - (Decrements)	7,680,000	14,931,050	0	14,931,050	22,611,050	231,858	507,525	23,350,433
Impairment - (losses) - reversals	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
Initial Recognition of Assets due to Changes to Regulations								0
Depreciation (Expense)		(615,317)		(615,317)	(615,317)	(446,234)	(396,702)	(1,458,253)
Other Movements (Reclassified Assets) Correction		(93,902)		(93,902)	(106,062)	2,696	24,816	(78,550)
Carrying amount at the end of year	<u>7,680,000</u>	<u>24,467,193</u>	<u>0</u>	<u>24,467,193</u>	<u>32,135,033</u>	<u>2,771,014</u>	<u>1,609,654</u>	<u>36,515,701</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

	2013 \$	2012 \$
8. INFRASTRUCTURE		
Roads - Cost	30,968,374	27,772,758
Less Accumulated Depreciation	<u>(12,986,888)</u>	<u>(11,852,271)</u>
	17,981,486	15,920,487
Infrastructure Other - Cost	20,407,423	13,803,370
Less Accumulated Depreciation	<u>(3,961,085)</u>	<u>(3,298,617)</u>
	16,446,338	10,504,753
	<u>34,427,824</u>	<u>26,425,240</u>

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Roads \$	Infrastructure Other \$	Total \$
Balance as at 1 July 2012	15,920,487	10,504,753	26,425,240
Additions	3,195,615	6,455,872	9,651,487
(Disposals)	0	(3,274)	(3,274)
Revaluation - Increments	0	2,000	2,000
- (Decrements)	0	0	0
Impairment - (losses)	0	0	0
- reversals	0	0	0
Depreciation (Expense)	(1,134,616)	(591,563)	(1,726,179)
Other Movements (Reclassified Assets)		78,550	78,550
Balance as at 30 June 2013	<u>17,981,486</u>	<u>16,446,338</u>	<u>34,427,824</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

	2013 \$	2012 \$
9. OTHER NON CURRENT ASSET		
Works in Progress		
Staff Housing Airconditioners	0	50,536
Lt 115 & Lt 116 Snapper Loop (2 Houses)	0	873,768
RTR - Yardie Creek Road	0	34,812
Computer Equipment	0	1,500
Learmonth Airport Bldg Alterations	0	21,878
Flood Mitigation LIA/Reid St	0	1,703,711
Learmonth Apron Extension	0	1,167,844
Bundegi Carpark Facilities	0	2,945
	<u>0</u>	<u>3,856,994</u>
10. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	866,040	928,177
Accrued Expenses	548,671	794,901
Tax Payable	260,271	235,357
Rental Bonds	214	2,877
	<u>1,675,196</u>	<u>1,961,312</u>
11. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge Debentures	<u>214,637</u>	<u>216,397</u>
	<u>214,637</u>	<u>216,397</u>
Non-Current		
Secured by Floating Charge Debentures	<u>1,447,231</u>	<u>1,665,695</u>
	<u>1,447,231</u>	<u>1,665,695</u>

Additional detail on borrowings is provided in Note 23.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

	2013	2012
	\$	\$
12. PROVISIONS		
Analysis of total provisions		
Current	719,963	603,898
Non-current	95,287	66,107
	<u>815,250</u>	<u>670,005</u>

	Provision for Annual Leave \$	Provision for Employee Gratuity \$	Provision for Long Service Leave \$	Total \$
Opening Balance as at 1 July 2012	423,144	112,637	134,224	670,005
Additional Provisions	81,480	19,711	44,054	145,245
Amounts Used	0	0	0	0
Used amounts reversed	0	0	0	0
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	0	0	0	0
Balance at 30 June 2013	<u>504,624</u>	<u>132,348</u>	<u>178,278</u>	<u>815,250</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

	2013 \$	2013 Budget \$	2012 \$
13. RESERVES - CASH/INVESTMENT BACKED			
(a) Community Interest Free Loans Reserve			
Opening Balance	322,944	322,944	160,528
Amount Set Aside / Transfer to Reserve	74,514	11,303	162,416
Amount Used / Transfer from Reserve	(250,000)	0	0
	<u>147,458</u>	<u>334,247</u>	<u>322,944</u>
(b) Community Development Fund Reserve			
Opening Balance	550,000	550,000	17,607
Amount Set Aside / Transfer to Reserve	412,738	519,250	550,000
Amount Used / Transfer from Reserve	0		(17,607)
	<u>962,738</u>	<u>1,069,250</u>	<u>550,000</u>
(c) Leave Reserve			
Opening Balance	613,253	613,253	85,164
Amount Set Aside / Transfer to Reserve	14,203	21,464	528,089
Amount Used / Transfer from Reserve	(72,500)	0	0
	<u>554,956</u>	<u>634,717</u>	<u>613,253</u>
(d) Plant Reserve			
Opening Balance	936,066	936,066	587,648
Amount Set Aside / Transfer to Reserve	11,350	17,152	348,418
Amount Used / Transfer from Reserve	(446,000)	(446,000)	0
	<u>501,416</u>	<u>507,218</u>	<u>936,066</u>
(e) Road Replacement Reserve			
Opening Balance	0	0	127,273
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	(127,273)
	<u>0</u>	<u>0</u>	<u>0</u>
(f) North McLeod St Dune Breakout Reserve			
Opening Balance	0	0	65,410
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	(65,410)
	<u>0</u>	<u>0</u>	<u>0</u>
(g) Waste Management Reserve			
Opening Balance	143,409	143,409	136,793
Amount Set Aside / Transfer to Reserve	3,321	5,019	6,616
Amount Used / Transfer from Reserve	0	0	0
	<u>146,730</u>	<u>148,428</u>	<u>143,409</u>
(h) Public Open Space Reserve			
Opening Balance	281,961	281,961	268,955
Amount Set Aside / Transfer to Reserve	73,211	9,869	13,006
Amount Used / Transfer from Reserve	(354,379)	0	0
	<u>793</u>	<u>291,830</u>	<u>281,961</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

	2013 \$	2013 Budget \$	2012 \$
13. RESERVES - CASH/INVESTMENT BACKED			
(i) Swimming Pool Reserve			
Opening Balance	284,457	284,457	123,485
Amount Set Aside / Transfer to Reserve	66,588	69,956	160,972
Amount Used / Transfer from Reserve	0	0	0
	<u>351,045</u>	<u>354,413</u>	<u>284,457</u>
(j) Shire Staff Housing Reserve			
Opening Balance	962,572	962,572	11,993
Amount Set Aside / Transfer to Reserve	21,499	440	950,579
Amount Used / Transfer from Reserve	0	(950,000)	0
	<u>984,071</u>	<u>13,012</u>	<u>962,572</u>
(k) Airport Reserve			
Opening Balance	483,704	483,704	136,563
Amount Set Aside / Transfer to Reserve	1,467,955	1,373,037	468,141
Amount Used / Transfer from Reserve	(567,179)	(532,389)	(121,000)
	<u>1,384,480</u>	<u>1,324,352</u>	<u>483,704</u>
(l) Airport Security Equipment Reserve			
Opening Balance	1,096,220	1,084,741	701,430
Amount Set Aside / Transfer to Reserve	164,783	2,236	394,790
Amount Used / Transfer from Reserve	(1,261,003)	(1,020,867)	0
	<u>0</u>	<u>66,110</u>	<u>1,096,220</u>
(m) Rehabilitation Reserve			
Opening Balance	391,223	391,223	338,469
Amount Set Aside / Transfer to Reserve	39,547	26,243	52,754
Amount Used / Transfer from Reserve	0	(70,000)	0
	<u>430,770</u>	<u>347,466</u>	<u>391,223</u>
(n) Marina Village Asset Replace & Preservation Reserve			
Opening Balance	5,324	5,324	5,079
Amount Set Aside / Transfer to Reserve	124	186	245
Amount Used / Transfer from Reserve	0	0	0
	<u>5,448</u>	<u>5,510</u>	<u>5,324</u>
(o) Building Infrastructure Preservation Reserve			
Opening Balance	47,922	47,922	45,712
Amount Set Aside / Transfer to Reserve	1,110	11,677	2,210
Amount Used / Transfer from Reserve	0	0	0
	<u>49,032</u>	<u>59,599</u>	<u>47,922</u>
(p) Industrial Area Roads Reserve			
Opening Balance	28,016	28,016	26,724
Amount Set Aside / Transfer to Reserve	649	981	1,292
Amount Used / Transfer from Reserve	0	0	0
	<u>28,665</u>	<u>28,997</u>	<u>28,016</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

	2013 \$	2013 Budget \$	2012 \$
13. RESERVES - CASH/INVESTMENT BACKED			
(q) Town Planning Scheme Reserve			
Opening Balance	10,650	10,650	10,159
Amount Set Aside / Transfer to Reserve	247	973	491
Amount Used / Transfer from Reserve	0	0	0
	<u>10,897</u>	<u>11,623</u>	<u>10,650</u>
(r) Land Development Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
(s) * Unspent Grants & Contributions Reserve			
Opening Balance	1,769,171	1,730,351	1,292,244
Amount Set Aside / Transfer to Reserve	1,141,414	15,515	987,687
Amount Used / Transfer from Reserve	(1,311,731)	(1,289,292)	(510,760)
	<u>1,598,854</u>	<u>456,574</u>	<u>1,769,171</u>
(t) **Carried Over Project Reserve			
Opening Balance	203,748	203,748	795,947
Amount Set Aside / Transfer to Reserve	1,499	0	146,889
Amount Used / Transfer from Reserve	(179,164)	(203,748)	(739,089)
	<u>26,083</u>	<u>0</u>	<u>203,748</u>

SUMMARY	2013	2013 Budget	2012
	\$	\$	\$
Opening Balance	8,130,640	8,080,341	4,937,183
Amount Set Aside / Transfer to Reserve	3,494,752	2,085,300	4,774,596
Amount Used / Transfer from Reserve	(4,441,956)	(4,512,296)	(1,581,139)
TOTAL CASH BACKED RESERVES	<u>7,183,436</u>	<u>5,653,345</u>	<u>8,130,640</u>

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 and 4 to this financial report.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

	Balance 1 July 2012	Amount Trf to/from Reserve	Closing Balance 2013
	\$	\$	\$
13. RESERVES - CASH BACKED			
<u>* Summary of Unspent Grants & Contributions Reserve</u>			
- Landcorp Marina Grant	369,178	8,550	377,728
- DEC Contribution Flood Damage	23,381	(23,381)	0
- Marina Breakwater/NavAid (07/08)	23,388	542	23,930
- DEC Bushfire Mitigation Fund	27,337	633	27,970
- Landcorp - Water Playground	274,333	(274,333)	0
- Revitalisation & Foreshore Development	160,182	(160,182)	0
- Tantabiddi Boat Ramp	283,235	(28,467)	254,768
- Country Arts Youth Program	12,000	278	12,278
- Main Roads PACE Retreat	40,195	930	41,125
- CLGF Flood Lighting Talanjee Oval	205,478	(205,478)	0
- CLGF Water Playground	157,767	(157,767)	0
- CLGF Renewable Energy Project	55,627	(55,627)	0
- Dept of Planning	51,568	79,342	130,910
- Dept of Lands Flood Mitigation Reid St	41,682	(41,682)	0
- Chevron Display Banners	5,000	115	5,115
- Dept of Sustain Interpretative Signage	21,200	0	21,200
- Dept of Sustain Lantern/Film Making	17,620	(17,620)	0
- DLG Cat Act Implementation	0	2,535	2,535
- Youth Leadership	0	10,500	10,500
- Landscape Experience	0	19,000	19,000
- MRWA Murat Road	0	83,840	83,840
- MRWA Blackspot Murat Road	0	92,310	92,310
- CSRFF Flood Lighting Talanjee Oval	0	53,993	53,993
- R4R Foreshore Works	0	441,652	441,652
	<u>1,769,171</u>	<u>(170,317)</u>	<u>1,598,854</u>
<u>** Summary of Carried Over Project Reserve</u>			
- Donations - WWII plaque	1,227	29	1,256
- Sewerage Farm	15,000	328	15,328
- Donation Bundegi Shade	9,284	215	9,499
- Footpath Stokes-Hughes Rd	52,005	(52,005)	0
- Unspent Loan Funds Staff Housing	126,232	(126,232)	0
	<u>203,748</u>	<u>(177,666)</u>	<u>26,083</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

13. RESERVES - CASH BACKED

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

Community Interest Free Loans Reserve

- to be used to fund major community development projects

Community Development Fund Reserve

- to be used to fund community development initiatives

Leave Reserve

- to be used to fund annual and long service leave requirements

Plant Reserve

- to be used for the purchase of major plant and equipment

Road Replacement Reserve

- to be used to fund major road replacement programs

North McLeod St Dune Breakout Reserve

- to be used to preserve the North McLeod St Dune Breakout

Waste Management Reserve

- to be used to fund capital and operational costs of Refuse Site including implementation of post closure plan

Public Open Space Reserve

- to be used for the development of Public Open Space

Swimming Pool Reserve

- to be used to fund Swimming Pool upgrades

Shire Staff Housing Reserve

- to be used to fund housing for Shire staff

Airport Reserve

- to be used to fund Airport capital and operating expenses

Airport Security Equipment Reserve

- to be used for the purpose of replacement of security equipment at Learmonth Airport

Rehabilitation Reserve

- to be used to manage the funds associated with the environmental rehabilitation of the sand and gravel pits within the Shire of Exmouth

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

13. RESERVES - CASH BACKED

Marina Village Asset Replace & Preservation Reserve

- to be used for the preservation and maintenance of infrastructure related to the Exmouth Marina Village

Building Infrastructure Preservation Reserve

- to be used for the preservation and maintenance of building infrastructure within the Shire of Exmouth

Industrial Area Roads Reserve

- to be used for the purpose of industrial Area Road Surface Preservation within the Shire of Exmouth

Town Planning Scheme Reserve

- to be used for the purpose of funding a review of the future Town Planning Scheme

Land Development Reserve

- to be used for the purpose of developing land in Exmouth

Streetscape Reserve

- to be used for the purpose of Streetscape

Unspent Grants & Contributions Reserve

- to be used for the purpose of containing funds that are derived from unspent or prepaid grants and contributions from external parties

Carried Over Project Reserve

- to be used for the preservation of carried over projects funds

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

	2013 \$	2012 \$
14. REVALUATION SURPLUS		
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(a) Roads		
Opening Balance	9,452,056	9,452,056
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>9,452,056</u>	<u>9,452,056</u>
(b) Land and Buildings		
Opening Balance	0	0
Revaluation Increment	22,833,063	0
Revaluation Decrement	0	0
	<u>22,833,063</u>	<u>0</u>
(c) Plant and Equipment		
Opening Balance	0	0
Revaluation Increment	432,466	0
Revaluation Decrement	0	0
	<u>432,466</u>	<u>0</u>
(d) Furniture & Equipment		
Opening Balance	0	0
Revaluation Increment	616,738	0
Revaluation Decrement	0	0
	<u>616,738</u>	<u>0</u>
(e) Paintings & Sculptures		
Opening Balance	0	0
Revaluation Increment	2,000	0
Revaluation Decrement	0	0
	<u>2,000</u>	<u>0</u>
TOTAL ASSET REVALUATION SURPLUS	<u><u>33,336,323</u></u>	<u><u>9,452,056</u></u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2013 \$	2013 Budget \$	2012 \$
Cash and Cash Equivalents	<u>8,162,348</u>	<u>4,755,851</u>	<u>8,526,511</u>

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

Net Result	5,005,915	11,167,576	7,569,057
Depreciation	3,184,433	2,474,913	2,254,606
(Profit)/Loss on Sale of Asset	253,346	(57,561)	(10,060)
(Increase)/Decrease in Receivables	99,187	637,811	(1,380,941)
(Increase)/Decrease in Inventories	(18,129)	4,045	4,729
Increase/(Decrease) in Payables	(286,116)	(234,976)	1,072,894
Increase/(Decrease) in Provisions	145,245	(69,549)	131,953
Grants/Contributions for the Development of Assets	(4,910,840)	(12,212,791)	(6,102,016)
Net Cash from Operating Activities	<u>3,473,041</u>	<u>1,709,469</u>	<u>3,540,222</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft limit	400,000	400,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	40,000	36,000
Credit Card Balance at Balance Date	0	0
Total Amount of Credit Unused	<u>440,000</u>	<u>436,000</u>

Loan Facilities

Loan Facilities - Current	214,637	216,397
Loan Facilities - Non-Current	1,447,231	1,665,695
Total Facilities in Use at Balance Date	<u>1,661,868</u>	<u>1,882,092</u>

Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>
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SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

	2013 \$	2012 \$
16. CONTINGENT LIABILITIES/ASSETS		
(a) There were no known contingent liabilities as at 30 June 2013.		
(b) There is a likelihood of recognising the Pedestrian Footbridge located at the Exmouth Marina Village as an asset and the approximate value of the bridge is \$4,967,365.		
17. CAPITAL AND LEASING COMMITMENTS		
(a) Operating Lease Commitments		
The shire has no operating leases		
(b) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects		3,856,994
Payable:		
- not later than one year	<u>0</u>	<u>3,856,994</u>

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

	Contract Value \$	Less Works in Progress \$	2013 \$	2012 \$
Staff Housing Airconditioners			0	50,536
Lt 115 & Lt116 Snapper Loop (2 Houses)			0	873,768
RTR - Yardie Creek Road			0	34,812
Computer Equipment			0	1,500
Learmonth Airport Building Alterations			0	21,878
Flood Mitigation LIA/Reid St	-		0	1,703,711
Learmonth Apron Extension			0	1,167,844
Bundegi Carpark Facilities			0	2,945
Oval Lighting Towers	476,026	(362,564)	113,462	0
Toilet Block Tantabiddi	283,234	(32,234)	251,000	0
CBD & Foreshore Redevelopment	6,000,000	(3,566,152)	2,433,848	0
	<u>6,759,260</u>	<u>(3,960,950)</u>	<u>2,798,310</u>	<u>3,856,994</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

18. JOINT VENTURE

The Shire together with Homeswest have a joint venture arrangement with regard to the provision of Aged Persons accommodation. The assets are 34 units and a caretakers house. Council's equity in the assets is 16% as per agreement with investment in Homeswest. Council's capital expenditure in these assets is included in Land and Buildings as follows:

	2013 \$	2012 \$
Non-Current Assets		
Land & Buildings	473,802	473,802
Less: Accumulated Depreciation	(223,522)	(223,522)
	<u>250,280</u>	<u>250,280</u>

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	10,292	52,590
General Purpose Funding	0	0
Law, Order, Public Safety	1,654,697	677,297
Health	78,289	72,975
Education and Welfare	972,132	759,737
Housing	8,343,222	3,052,353
Community Amenities	2,678,491	2,007,456
Recreation and Culture	11,024,629	6,570,133
Transport	33,340,155	22,080,108
Economic Services	2,082,539	1,447,889
Other Property and Services	3,220,573	2,185,063
Unallocated	19,225,052	15,727,219
	<u>82,630,071</u>	<u>54,632,820</u>

	2013	2012	2011
20. FINANCIAL RATIOS			
Current Ratio	2.01	1.68	2.04
Asset Sustainability Ratio	1.91	1.50	1.12
Debt Service Cover Ratio	10.81	16.02	22.91
Operating Surplus Ratio	0.04	0.15	0.08
Own Source Revenue Coverage Ratio	0.79	0.84	0.80

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

20. FINANCIAL RATIOS

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$
---------------	--

Asset Sustainability Ratio	$\frac{\text{Capital renewal and replacement expenditure}}{\text{depreciation expenses}}$
----------------------------	---

Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
--------------------------	--

Operating Surplus Ratio	$\frac{\text{Operating revenue minus operating expense}}{\text{own source operating revenue}}$
-------------------------	--

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

21. TRUST FUNDS

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

	Balance 1-Jul-12 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-13 \$
Hall & Rec Centre Bonds	5,190	4,450	(4,080)	5,560
Olma Funding	2,423	0	0	2,423
Forum Travel Fund	2,990	0	0	2,990
NADC	11,335	0	0	11,335
Council Nomination Fees	80	0	(80)	0
Cyclone Baptist Needy	2,800	0	0	2,800
Sundries	7,844	0	0	7,844
Buildings/Planning Bonds	83,900	1,000	(10,000)	74,900
Youth Affairs	1,401	0	0	1,401
APH Bonds	8,016	1,136	(451)	8,701
Jurabi Coastal Park	59,400	0	0	59,400
Unclaimed Monies	192	750	0	942
PACE Programs	620	0	0	620
Sub Division Clearance Bond	5,000	0	0	5,000
Staff Housing Bonds	974	600	(1,574)	0
Regional Collaborative Group Funding	59,289	0	(40,115)	19,174
Pindan Pit Key Bond	100	0	0	100
Bond Deed Exmouth Marina Holdings	68,804	0	0	68,804
Cash in Lieu POS	0	159,963	0	159,963
Ingleton St Res 29086 (20A/152)	0	194,750	0	194,750
BCITF	3,166	35,332	(37,215)	1,283
BSL	2,615	21,556	(23,884)	287
Lester group (Guarantee 1438 of 2007)	300,000	0	(300,000)	0
Donations for Other Organisations	135	0	0	135
DAP Application Fee (Dept of Planning)	0	5,213	(5,213)	0
EGFC Tickets	0	1,680	(1,680)	0
	<u>626,274</u>	<u>426,430</u>	<u>(424,292)</u>	<u>628,412</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

22. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR

The following assets were disposed of during the year.

By Program	Net Book Value		Sale Price		Profit (Loss)	
	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$
Other Property & Services						
(A105109) 2009 Ford Ranger Ute 3009EX	8,871	10,572	12,727	8,000	3,856	(2,572)
(A105406) 2009 Ford Ranger Ute 3008EX	0	9,927	0	8,000	0	(1,927)
(A115425) 2006 Holden Comdore 160EX	0	5,268	0	5,000	0	(268)
(PGRD02) 1996 Grader Cat EX3320	30,907	32,651	56,000	100,000	25,093	67,349
(PTRK13) 2003 Hino Truck EX4799	15,217	17,029	32,500	10,000	17,283	(7,029)
(PLDR04) 1998 Komatsu Loader EX707	0	0	30,000	15,000	30,000	15,000
2003 Hino Dutro Truck EX4463	1,361	3,528	22,300	5,000	20,939	1,472
2003 Hino Dutro Truck EX4538	3,679	0	22,300	0	18,621	0
(PTRK16) 2006 Mitsub Canter	0	0	0	0	0	0
(A115417) 2011 Toyota Hilux EX042	0	19,737	0	6,000	0	(13,737)
(A075405) 2007 Toyota Hilux EX043	169	828	3,636	6,000	3,467	5,172
(A075403) 2007 Mitsub Triton Ute EX298	639	1,526	9,091	8,000	8,452	6,474
(A105422) 2009 Ford Ranger Ute EX7416	8,641	10,390	13,636	8,000	4,995	(2,390)
(A115419) 2011 Toyota Hiace Van EX7714	25,205	24,442	19,545	25,000	(5,660)	558
(A105401) 2010 Toyota Prado 3000EX	39,712	40,541	32,727	30,000	(6,985)	(10,541)
(PE00016) Small Equipment	1,931	0	0	0	(1,931)	0
(PE00017) Small Equipment	6,187	0	0	0	(6,187)	0
(PE00021) Kubota Genset	86	0	0	0	(86)	0
(PE00023) Kubota Genset	86	0	0	0	(86)	0
(PE00036) Blower Vac	508	0	0	0	(508)	0
(PE00037) Makita Angle Grinder	554	0	0	0	(554)	0
(PE00094) Light Vehicle	50	0	0	0	(50)	0
(PE00095) Small Equipment	982	0	0	0	(982)	0
(PE00103) Blower Vac	17	0	0	0	(17)	0
(PE00137) Wall Cabinet Tool Box	44	0	0	0	(44)	0
(PE00197) Swimming Pool Ladders	1,079	0	0	0	(1,079)	0
(PE00156) Gentech Generator	9	0	0	0	(9)	0
(PE00157) Floor Saw	16	0	0	0	(16)	0
(PE00168) Lawnmower	40	0	0	0	(40)	0
(PE00177) Pressure Cleaner	343	0	0	0	(343)	0
(PE00180) Small Tools	737	0	0	0	(737)	0
(PE00181) Hedgehammer	118	0	0	0	(118)	0
(PE00007) Small Equipment	278	0	0	0	(278)	0
(PE00011) APH Fibre Glass Ladder	180	0	0	0	(180)	0
(PE00012) APH Tools	20	0	0	0	(20)	0
(FE00342) Chef Upright Electric Range	382	0	0	0	(382)	0
(IN00226) Bundegi Jetty	41,310	0	0	0	(41,310)	0
(FE00345) Bookcase	92	0	0	0	(92)	0
(FE00348) SES Plants	893	0	0	0	(893)	0
(FE00354) Tourism Bldg Ceiling Fans	379	0	0	0	(379)	0
(IN00224) Bundegi Boat Ramp	57,582	0	0	0	(57,582)	0
(IN00225) Tantabiddi Boat Ramp	49,889	0	0	0	(49,889)	0
(FE00335) 5 Gooley St Airconditioning	203	0	0	0	(203)	0
(FE00013) APH Tiling	796	0	0	0	(796)	0

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

22. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR (continued)

The following assets were disposed of during the year.

By Program (Continued)

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Other Property & Services						
(FE00096) 3 x Desktop Computers	614	0	0	0	(614)	0
(FE00350) Shire Hall Airconditioners	5,867	0	0	0	(5,867)	0
(IN00105) Netball Courts Setup	421	0	0	0	(421)	0
(IN00001) Swimming Pool Inflatable	2,853	0	0	0	(2,853)	0
(FE00199) Ipad for Cr Fleay	58	0	0	0	(58)	0
(FE00196) Ipad for Cr Todd	58	0	0	0	(58)	0
(FE00159) Split System Air Conditioners	6,311	0	0	0	(6,311)	0
(FE00114) Dakin Split System Air Conditioner	3,443	0	0	0	(3,443)	0
(FE00128) Airconditioner 31 Nimitz St	3,152	0	0	0	(3,152)	0
(FE00181) Ipad for Cr Hansman	58	0	0	0	(58)	0
(FE00331) Main Hall	8	0	0	0	(8)	0
(FE00332) Main Hall	5	0	0	0	(5)	0
(PE00198) Time Capsule Boxes	988	0	0	0	(988)	0
(LB00059) Navy Pier Toilets	3,276	0	0	0	(3,276)	0
(LB00005) 17 Christie St	1,560	0	0	0	(1,560)	0
(LB00032) Bundegi Jetty Additions 98-99	7,626	0	0	0	(7,626)	0
(LB00033) Bundegi Sea Search Building	17,588	0	0	0	(17,588)	0
(LB00042) Exmouth Memorial	3,927	0	0	0	(3,927)	0
(LB00047) Light Airstrip Hanger	5,200	0	0	0	(5,200)	0
(LB00048) Lighthouse Mapping Radar Site	1,288	0	0	0	(1,288)	0
(LB00064) Public Convenience West Coast	2,076	0	0	0	(2,076)	0
(LB00071) Shopping Centre Mall	70,964	0	0	0	(70,964)	0
(LB00007) 19 Carpenter St Shed	4,516	0	0	0	(4,516)	0
(LB00039) Centrelink Repaint	2,612	0	0	0	(2,612)	0
(LB00040) Datronics Ablution Block	2,283	0	0	0	(2,283)	0
(LB00050) Lighthouse Toilets	2,309	0	0	0	(2,309)	0
(LB00054) Pistol Club Building	1,040	0	0	0	(1,040)	0
(LB00068) Sheds Rigg Street	2,368	0	0	0	(2,368)	0
(LB00072) Single Mens Quarters	4,892	0	0	0	(4,892)	0
(LB00079) Yardie Homestead	16,130	0	0	0	(16,130)	0
(PE00010) Security Upgrade	2,442	0	0	0	(2,442)	0
(PE00115) Ablution Block	2,752	0	0	0	(2,752)	0
(PE00005) Small Equipment Sept 06	1,504	0	0	0	(1,504)	0
(PE00169) Pool Cleaner	1,150	0	0	0	(1,150)	0
(PE00174) Small Equipment 2003/04	451	0	0	0	(451)	0
(PE00179) Parts	166	0	0	0	(166)	0
(PE00027) 2005 Toyota Commuter Bus	23,636	0	0	0	(23,636)	0
(PE00015) Small Equipment Bike Handle	582	0	0	0	(582)	0
(PE00018) Small Equipment 2 Cyl Honda	718	0	0	0	(718)	0
(PE00063) Small Equipment Water Pump	185	0	0	0	(185)	0
(PE00064) Small Equipment Trolley Jack	1,187	0	0	0	(1,187)	0
(PE00142) Shade Frames	353	0	0	0	(353)	0
	507,808	176,439	254,462	234,000	(253,346)	57,561

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

22. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR (continued)

By Class	Net Book Value		Sale Price		Profit (Loss)	
	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$
Plant & Equipment						
(A105109) 2009 Ford Ranger Ute 3009EX	8,871	10,572	12,727	8,000	3,856	(2,572)
(A105406) 2009 Ford Ranger Ute 3008EX	0	9,927	0	8,000	0	(1,927)
(A115425) 2006 Holden Comdore 160EX	0	5,268	0	5,000	0	(268)
(PGRD02) 1996 Grader Cat EX3320	30,907	32,651	56,000	100,000	25,093	67,349
(PTRK13) 2003 Hino Truck EX4799	15,217	17,029	32,500	10,000	17,283	(7,029)
(PLDR04) 1998 Komatsu Loader EX707	0	0	30,000	15,000	30,000	15,000
2003 Hino Dutro Truck EX4463	1,361	3,528	22,300	5,000	20,939	1,472
2003 Hino Dutro Truck EX4538	3,679	0	22,300	0	18,621	0
(PTRK16) 2006 Mitsub Canter	0	0	0	0	0	0
(A115417) 2011 Toyota Hilux EX042	0	19,737	0	6,000	0	(13,737)
(A075405) 2007 Toyota Hilux EX043	169	828	3,636	6,000	3,467	5,172
(A075403) 2007 Mitsub Triton Ute EX298	639	1,526	9,091	8,000	8,452	6,474
(A105422) 2009 Ford Ranger Ute EX7416	8,641	10,390	13,636	8,000	4,995	(2,390)
(A115419) 2011 Toyota Hiace Van EX7714	25,205	24,442	19,545	25,000	(5,660)	558
(A105401) 2010 Toyota Prado 3000EX	39,712	40,541	32,727	30,000	(6,985)	(10,541)
(PE00016) Small Equipment	1,931	0	0	0	(1,931)	0
(PE00017) Small Equipment	6,187	0	0	0	(6,187)	0
(PE00021) Kubota Genset	86	0	0	0	(86)	0
(PE00023) Kubota Genset	86	0	0	0	(86)	0
(PE00036) Blower Vac	508	0	0	0	(508)	0
(PE00037) Makita Angle Grinder	554	0	0	0	(554)	0
(PE00094) Light Vehicle	50	0	0	0	(50)	0
(PE00095) Small Equipment	982	0	0	0	(982)	0
(PE00103) Blower Vac	17	0	0	0	(17)	0
(PE00137) Wall Cabinet Tool Box	44	0	0	0	(44)	0
(PE00156) Gentech Generator	9	0	0	0	(9)	0
(PE00157) Floor Saw	16	0	0	0	(16)	0
(PE00168) Lawnmower	40	0	0	0	(40)	0
(PE00177) Pressure Cleaner	343	0	0	0	(343)	0
(PE00180) Small Tools	737	0	0	0	(737)	0
(PE00181) Hedgehammer	118	0	0	0	(118)	0
(PE00007) Small Equipment	278	0	0	0	(278)	0
(PE00011) APH Fibre Glass Ladder	180	0	0	0	(180)	0
(PE00012) APH Tools	20	0	0	0	(20)	0
(PE00198) Time Capsule Boxes	988	0	0	0	(988)	0
(PE00010) Security Upgrade	2,442	0	0	0	(2,442)	0
(PE00115) Ablution Block	2,752	0	0	0	(2,752)	0
(PE00005) Small Equipment Sept 06	1,504	0	0	0	(1,504)	0
(PE00169) Pool Cleaner	1,150	0	0	0	(1,150)	0
(PE00174) Small Equipment 2003/04	451	0	0	0	(451)	0
(PE00179) Parts	166	0	0	0	(166)	0
(PE00027) 2005 Toyota Commuter Bus	23,636	0	0	0	(23,636)	0
(PE00015) Small Equipment Bike Handle	582	0	0	0	(582)	0
(PE00018) Small Equipment 2 Cyl Honda	718	0	0	0	(718)	0
(PE00063) Small Equipment Water Pump	185	0	0	0	(185)	0
(PE00064) Small Equipment Trolley Jack	1,187	0	0	0	(1,187)	0

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

22. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR (continued)

By Class (continued)	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land & Buildings						
(PE00197) Swimming Pool Ladders	1,079	0	0	0	(1,079)	0
(FE00342) Chef Upright Electric Range	382	0	0	0	(382)	0
(IN00226) Bundegi Jetty	41,310	0	0	0	(41,310)	0
(FE00345) Bookcase	92	0	0	0	(92)	0
(FE00348) SES Plants	893	0	0	0	(893)	0
(FE00354) Tourism Bldg Ceiling Fans	379	0	0	0	(379)	0
(IN00224) Bundegi Boat Ramp	57,582	0	0	0	(57,582)	0
(IN00225) Tantabiddi Boat Ramp	49,889	0	0	0	(49,889)	0
(LB00005) 17 Christie St	1,560	0	0	0	(1,560)	0
(LB00032) Bundegi Jetty Additions 98-99	7,626	0	0	0	(7,626)	0
(LB00033) Bundegi Sea Search Building	17,588	0	0	0	(17,588)	0
(LB00042) Exmouth Memorial	3,927	0	0	0	(3,927)	0
(LB00047) Light Airstrip Hanger	5,200	0	0	0	(5,200)	0
(LB00048) Lighthouse Mapping Radar Site	1,288	0	0	0	(1,288)	0
(LB00064) Public Convenience West Coast	2,076	0	0	0	(2,076)	0
(LB00071) Shopping Centre Mall	70,964	0	0	0	(70,964)	0
(LB00007) 19 Carpenter St Shed	4,516	0	0	0	(4,516)	0
(LB00039) Centrelink Repaint	2,612	0	0	0	(2,612)	0
(LB00040) Datronics Ablution Block	2,283	0	0	0	(2,283)	0
(LB00050) Lighthouse Toilets	2,309	0	0	0	(2,309)	0
(LB00054) Pistol Club Building	1,040	0	0	0	(1,040)	0
(LB00068) Sheds Rigg Street	2,368	0	0	0	(2,368)	0
(LB00072) Single Mens Quarters	4,892	0	0	0	(4,892)	0
(LB00079) Yardie Homestead	16,130	0	0	0	(16,130)	0
(LB00059) Navy Pier Toilets	3,276	0	0	0	(3,276)	0
Furniture & Equipment						
(PE00142) Shade Frames	353	0	0	0	(353)	0
(FE00335) 5 Gooley St Airconditioning	203	0	0	0	(203)	0
(FE00013) APH Tiling	796	0	0	0	(796)	0
(FE00096) 3 x Desktop Computers	614	0	0	0	(614)	0
(FE00350) Shire Hall Airconditioners	5,867	0	0	0	(5,867)	0
(FE00199) Ipad for Cr Fleay	58	0	0	0	(58)	0
(FE00196) Ipad for Cr Todd	58	0	0	0	(58)	0
(FE00159) Split System Air Conditioners	6,311	0	0	0	(6,311)	0
(FE00114) Dakin Split System Air Conditioner	3,443	0	0	0	(3,443)	0
(FE00128) Airconditioner 31 Nimitz St	3,152	0	0	0	(3,152)	0
(FE00181) Ipad for Cr Hansman	58	0	0	0	(58)	0
(FE00331) Main Hall	8	0	0	0	(8)	0
(FE00332) Main Hall	5	0	0	0	(5)	0
Infrastructure Other						
(IN00105) Netball Courts Setup	421	0	0	0	(421)	0
(IN00001) Swimming Pool Inflatable	2,853	0	0	0	(2,853)	0
	507,808	176,439	254,462	234,000	(253,346)	57,561

	Actual \$	Budget \$
Summary		
Profit on Asset Disposal	132,706	96,025
Loss on Asset Disposal	(386,052)	(38,464)
	<u>(253,346)</u>	<u>57,561</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

23. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1-Jul-12 \$	New Loans \$	Principal Repayments		Principal Outstanding 30-Jun-13		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
Loan 77 - Skip Jack Circle Land	285,782		34,328	34,328	251,454	251,452	15,884	15,668
Loan 80 - Staff Dwellings	996,174		47,110	47,110	949,064	949,064	46,668	46,668
Community Amenities								
Loan 79 - Rubbish Truck	208,725		101,570	101,570	107,155	107,155	9,390	9,390
Recreation & Culture								
Loan 78 - Shire Hall - Airconditioning	10,712		10,711	10,711	0	0	405	381
Other Properties & Services								
Loan 75 - Office Extensions	25,319		12,261	12,262	13,058	13,058	1,425	1,425
Loan 76 - 1 Bennett St Exmouth	355,379		14,242	14,242	341,137	341,139	17,971	17,734
	1,882,091	-	220,222	220,223	1,661,868	1,661,867	91,743	91,266

All debenture repayments are financed by general purpose revenue

(b) New Debentures - 2012/13

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Community Amenities										
Nil										

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

23. INFORMATION ON BORROWINGS

(c) Self Supporting Loans - Interest Free

Particulars	Purpose of Loan	Principal 1-Jul-12	New Loans	Principal Repayments		Principal Outstanding	
				Actual \$	Budget \$	Actual \$	Budget \$
Recreation & Culture							
*Loan A011413 Golf Club 2002	Purchase Tractor	1,000			1,000	1,000	-
*Loan A011406 Bowling Club 2009	Installation of Air Conditioning	14,000		2,000	2,000	12,000	12,000
*Loan A011403 Golf Club 2009	Purchase Slasher	12,000		3,000	3,000	9,000	9,000
*Loan A017018 Squash Club 2010	Upgrade Toilet Facilities	20,000		7,500	5,000	12,500	15,000
*Loan A017003 Golf Club 2012	Storage Shed	30,000		5,000	5,000	25,000	25,000
*Loan A017019 Truscott Club 2012	Replace Cool Room Motors	20,000		5,000	5,000	15,000	15,000
*Loan A017020 Bowling Club 2012	Synthetic Greens		250,000	50,000		200,000	
*Loan A017021 EGFC 2013	Gantry Upgrade		84,000			84,000	
		97,000	334,000	72,500	21,000	358,500	76,000

* Self Supporting Loans were financed from Community Development Interest Free Loans Reserve account

(d) Unspent Debentures

Particulars/Purpose	Dated Borrowed	Balance 1 July 2012 \$	Borrowed During Year \$	Expended During Year \$	Balance 30 June 2013 \$
Nil					

(e) Overdraft

Council established an overdraft facility of \$400,000 with the Westpac Bank 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 EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

24. RATING INFORMATION - 2012/13 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2012/13 Rate Revenue \$	Interim Rates \$	TOTAL REVENUE \$	2012/13 Budget Rate Revenue \$	2012/13 Budget Interim Rates \$	2012/13 Budgeted Total Revenue \$
Differential General Rate									
Gross Rental Value (GRV)									
Composite Development	0.0670	45	979,510	65,627	441	66,068	65,627		65,627
Industrial	0.0780	34	846,342	66,015	1,323	67,338	66,015		66,015
Light Industrial	0.0780	34	729,551	56,905	722	57,627	56,905		56,905
Marina	0.1135	386	7,813,990	886,889	8,396	895,285	886,889	12,000	898,889
Mixed Use	0.0780	72	1,749,703	136,477	120	136,597	136,477		136,477
Residential	0.0727	778	13,567,178	985,873	70	985,943	985,607	3,000	988,607
Residential Development	0.0600	7	53,160	3,190	203	3,393	3,190		3,190
Special Rural	0.0611	20	367,150	22,433	58	22,491	22,433		22,433
Special Use	0.0611	32	855,580	52,276	(2,325)	49,951	52,276		52,276
Strategic Industrial	0.0670	10	216,024	14,474	216	14,690	14,474		14,474
Tourist	0.0780	106	2,808,126	219,034	(21)	219,013	219,034		219,034
Town Centre	0.0780	65	3,075,520	239,890		239,890	239,890		239,890
Unimproved Value (UV)									
Aquaculture	0.0675	3	295,000	19,912	(5,080)	14,832	19,912		19,912
Mining	0.1350	23	221,627	29,920		29,920	29,920		29,920
Pastoral	0.0675	5	226,940	15,318		15,318	15,318		15,318
Rural	0.0675	0	0	0		0	0		0
Special Use	0.0675	0	0	0		0	0		0
Sub-Totals		1,620	33,805,401	2,814,233	4,123	2,818,356	2,813,967	15,000	2,828,967

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

24. RATING INFORMATION - 2012/13 FINANCIAL YEAR

RATE TYPE	Minimum Rate	Number of Properties	Rateable Value	2012/13 Rate Revenue	Interim Rates	TOTAL REVENUE	2012/13 Budget Rate Revenue	2012/13 Budget Interim Rates	2012/13 Budgeted Total Revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Minimum Rates									
Gross Rental Value (GRV)									
Composite Development	639.00	0	0	0		0	0		0
Industrial	639.00	1	5,000	639		639	639		639
Light Industrial	639.00	1	3,850	639		639	639		639
Marina	840.00	0	0	0		0	0		0
Mixed Use	639.00	25	76,718	15,975		15,975	15,975		15,975
Residential	639.00	98	587,010	62,622		62,622	63,261		63,261
Residential Development	200.00	7	14,130	1,400		1,400	1,400		1,400
Special Rural	639.00	1	9,600	639		639	639		639
Special Use	639.00	2	10,348	1,278		1,278	1,278		1,278
Strategic Industrial	639.00	0	0	0		0	0		0
Tourist	639.00	37	202,000	23,643		23,643	23,643		23,643
Town Centre	639.00	0	0	0		0	0		0
Unimproved Value (UV)									
Aquaculture	200.00	0	0	0		0	0		0
Mining	200.00	12	7,929	2,400		2,400	2,400	150	2,550
Pastoral	200.00	0	0	0		0	0		0
Rural	200.00	0	0	0		0	0		0
Special Use	200.00	0	0	0		0	0		0
Sub-Totals		184	916,585	109,235	0	109,235	109,874	150	110,024
		1,804	34,721,986	2,923,468	4,123	2,927,591	2,923,841	15,150	2,938,991
Rate Concessions						(15,698)			(12,589)
Total Amount Raised from General Rate						2,911,893			2,926,402
Specified Area Rates						52,877			51,693
Total Rates						2,964,770			2,978,095

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

24. RATING INFORMATION - 2012/13 FINANCIAL YEAR

(b) Information on Surplus/Deficit) Brought Forward

	2013 (30 June 2013 Carried Forward) \$	2013 (1 July 2012 Brought Forward) \$	2012 (30 June 2012 Carried Forward) \$
Surplus/(Deficit)			
1 July 2012 Brought Forward	2,451,204	1,668,027	1,668,027
Comprises:			
Cash - Unrestricted	978,912	395,871	395,871
Cash - Restricted	7,183,436	8,130,640	8,130,640
Rates - Current	979,647	821,605	821,605
Sundry Debtors	1,812,539	2,103,057	2,103,057
GST Receivable	300,213	271,846	271,846
Inventories - Fuel and Materials	55,089	36,960	36,960
	<u>11,309,836</u>	<u>11,759,979</u>	<u>11,759,979</u>
Less:			
Reserves - Restricted Cash			
Community Interest Free Loans Reserve	(147,458)	(322,944)	(322,944)
Community Development Fund Reserve	(962,738)	(550,000)	(550,000)
Leave Reserve	(554,956)	(613,253)	(613,253)
Plant Reserve	(501,416)	(936,066)	(936,066)
Waste Management Reserve	(146,730)	(143,409)	(143,409)
Public Open Space Reserve	(793)	(281,961)	(281,961)
Swimming Pool Reserve	(351,045)	(284,457)	(284,457)
Shire Staff Housing Reserve	(984,071)	(962,572)	(962,572)
Airport Reserve	(1,384,480)	(483,704)	(483,704)
Airport Security Equipment Reserve	0	(1,096,220)	(1,096,220)
Rehabilitation Reserve	(430,770)	(391,223)	(391,223)
Marina Village Asset Replace & Preservation Reserve	(5,448)	(5,324)	(5,324)
Building Infrastructure Preservation Reserve	(49,032)	(47,922)	(47,922)
Industrial Area Roads Reserve	(28,665)	(28,016)	(28,016)
Town Planning Scheme Reserve	(10,897)	(10,650)	(10,650)
Unspent Grants & Contributions Reserve	(1,598,854)	(1,769,171)	(1,769,171)
Carried Over Projects Reserve	(26,083)	(203,748)	(203,748)
Sundry Creditors	(1,675,196)	(1,961,312)	(1,961,312)
	<u>(8,858,632)</u>	<u>(10,091,952)</u>	<u>(10,091,952)</u>
Surplus/(Deficit)	<u>2,451,204</u>	<u>1,668,027</u>	<u>1,668,027</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 EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

25. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Marina Specified Area	0.0116	GRV	4,456,320	52,877	51,693	52,877	51,693
				52,877	51,693	52,877	51,693

The specified area rate for the marina is for those properties fronting the marina canals. The proceeds of the rate are applied in full to the environmental monitoring and maintenance of the canal waterways.

26. SERVICE CHARGES - 2012/13 FINANCIAL YEAR

Council did not charge a service charge in 2012/13.

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Aquaculture Zone				
Rates - A1332	Concession	N/A	(9,258)	(9,258)
Rates - A1333	Concession	N/A	(762)	(762)
Pastoral Zone				
Rates - A514	Concession	N/A	(920)	(920)
Rates - A688	Concession	N/A	(179)	(179)
Rates - A512	Concession	N/A	(1,006)	(1,006)
Rates - A1146	Concession	N/A	(464)	(464)
			(12,589)	(12,589)

The concession for Aquaculture is to recognise support for the development of aquaculture ventures
The concession is provided to Pastoralists to accommodate their concerns for their rating costs

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

28. INTEREST CHARGES AND INSTALMENTS - 2012/13 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		109,721	30,000
Interest on Instalments Plan	5.50%		11,507	5,412
Charges on Instalment Plan		12.00	10,464	9,588
			<u>131,692</u>	<u>45,000</u>

Ratepayers had three separate options for payment of their rates as listed below. Administration charges and interest applied for the final three instalments.

Option 1 (Full Payment)

Full amount of rates and charges including arrears to be paid on or before 10 September 2012.

Option 2 (4 Instalments)

First instalment due 10 September 2012
 Second instalment due 12 November 2012
 Third instalment due 14 January 2013
 Fourth instalment due 14 March 2013

Option 3 (2 Instalments)

First instalment due 10 September 2012
 Second instalment due 12 November 2012

29. FEES & CHARGES

	2013 \$	2012 \$
General Purpose Funding	28,803	75,873
Law, Order, Public Safety	7,807	7,108
Health	46,768	48,118
Education & Welfare	10,072	9,157
Housing	232,224	252,860
Community Amenities	956,807	813,980
Recreation & Culture	83,325	72,962
Transport	6,017,716	4,849,692
Economic Services	248,706	265,510
Other Property & Services	70,975	175,110
	<u>7,703,203</u>	<u>6,570,370</u>

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

30. GRANT REVENUE

2013 **2012**
\$ \$

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

By Nature or Type:

Operating Grants, Subsidies and Contributions	3,192,842	3,322,004
Non-Operating Grants, Subsidies and Contributions	4,910,840	6,102,016
	8,103,682	9,424,020

By Program:

General Purpose Funding	1,783,769	2,170,162
Governance	0	8,233
Law, Order, Public Sector	66,215	201,466
Education & Welfare	0	101,796
Housing	0	246,791
Community Amenities	150,000	626,000
Recreation and Culture	3,502,322	2,657,696
Transport	2,438,068	3,184,732
Economic Services	119,835	180,017
Other Property & Services	43,473	47,127
	8,103,682	9,424,020

2013 **2013** **2012**
\$ \$ Budget \$

31. COUNCILLORS' REMUNERATION

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

President's Allowance	8,707	8,707	8,453
President's Meeting Fees	10,521	10,521	9,147
Deputy President's Allowance	2,176	2,176	1,987
Councillor Meeting Fees	26,305	26,306	23,971
Telecommunications Allowance	8,328	15,200	9,216
	56,037	62,910	52,774

32. EMPLOYEE NUMBERS

2013 **2012**

The number of full-time equivalent employees at balance date

67.7 69.7

33. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2012/13 financial year.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

34. MAJOR TRADING UNDERTAKINGS

Learmonth Airport is the general aviation and regular passenger transport airport for the Shire of Exmouth. It is the main regional base for aircraft charter operations and private flying in Exmouth.

The Shire is responsible for operating the civil terminal, apron and taxiway; the RAAF are responsible for maintaining the other civil facilities used for civil aviation to comply with Defence legislation and regulations.

	2013	2013	2012
	\$	Budget	\$
		\$	
Operating Revenue			
Fees & Charges	5,860,467	5,311,170	4,871,278
Grants & Subsidies	225,400	270,400	1,254,547
	<u>6,085,867</u>	<u>5,581,570</u>	<u>6,125,825</u>
Operating Expenditure			
Employee Costs	(1,738,154)	(1,762,930)	(1,462,189)
Materials & Contracts	(355,237)	(501,433)	(252,312)
Utilities	(184,791)	(220,777)	(189,257)
Rent	(392,806)	(257,059)	(269,192)
Insurance	(85,013)	(77,784)	(49,911)
Other Expenditure	(582,470)	(488,719)	(380,627)
Depreciation	(458,937)	(416,207)	(380,771)
	<u>(3,797,408)</u>	<u>(3,724,909)</u>	<u>(2,984,259)</u>
Operating Surplus/(Deficit)	<u>2,288,459</u>	<u>1,856,661</u>	<u>3,141,566</u>
CAPITAL EXPENDITURE			
Land & Buildings	(37,830)	(170,000)	(251,772)
Furniture and Equipment	(191,018)	(322,000)	(377,972)
Infrastructure Other	(1,438,791)	(897,190)	(1,167,844)
Plant and Equipment	0	(25,000)	(254,667)
Transfer to/from Reserve	251,071	233,610	(571,205)
	<u>(1,416,568)</u>	<u>(1,180,580)</u>	<u>(2,623,460)</u>
TOTAL NET RESULT	<u><u>871,891</u></u>	<u><u>676,081</u></u>	<u><u>518,106</u></u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

35. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	8,162,348	8,526,511	8,162,348	8,526,511
Receivables	3,469,110	3,306,797	3,469,110	3,306,797
Financial assets at fair value through profit or loss	0	0	0	0
Available for-sale financial assets	0	0	0	0
	<u>11,631,458</u>	<u>11,833,308</u>	<u>11,631,458</u>	<u>11,833,308</u>
Financial Liabilities				
Payables	1,675,196	1,961,312	1,675,196	1,961,312
Borrowings	1,661,868	1,882,092	1,661,868	1,882,092
	<u>3,337,064</u>	<u>3,843,404</u>	<u>3,337,064</u>	<u>3,843,404</u>

Fair value is determined as follows:

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

Financial Assets at Fair Value through profit and loss. Available for Sale Financial Assets - based on quoted market prices at the reporting date or independent valuation.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

35. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit or loss

Available-for-sale financial assets

Held-to-maturity investments

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).

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

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

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

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

	2013	2012
	\$	\$
Impact of a 10% (*) movement in price of investments:		
- Equity	0	0
- Statement of Comprehensive Income	0 (+)	0 (+)
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	198,431	128,557
- Statement of Comprehensive Income	196,153	105,814

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.

(+) Maximum impact.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

35. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2013	2012
Percentage of Rates and Annual Charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of Other Receivables		
- Current	98%	89%
- Overdue	2%	11%

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2013</u>					
Payables	1,675,196	0	0	1,675,196	1,675,196
Borrowings	220,864	587,409	853,862	2,230,038	1,661,868
	<u>1,896,060</u>	<u>587,409</u>	<u>853,862</u>	<u>3,905,234</u>	<u>3,337,064</u>
<u>2012</u>					
Payables	1,961,312	0	0	1,961,312	1,961,312
Borrowings	220,223	678,585	983,282	2,540,804	1,882,092
	<u>2,181,535</u>	<u>678,585</u>	<u>983,282</u>	<u>4,502,116</u>	<u>3,843,404</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2013

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings (continued)

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

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

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
2013								
Borrowings								
Fixed Rate								
Debentures	(120,213)					(1,541,655)	(1,661,868)	4.99%
Weighted Average Effective Interest Rate	5.50%					4.95%		
2012								
Borrowings								
Fixed Rate								
Debentures		(244,755)				(1,637,335)	(1,882,090)	5.02%
Weighted Average Effective Interest Rate		5.46%				4.96%		

SHIRE OF EXMOUTH

Supplementary Ratio Information
for the Year Ended 30 June 2013

RATIO INFORMATION

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

	2013	2012	2011
Asset Consumption Ratio	0.73	N/A	N/A
Asset Renewal Funding Ratio	*	N/A	N/A

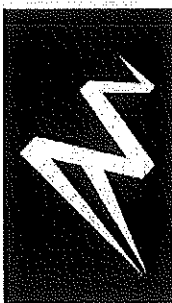
The above ratios are calculated as follows:

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

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

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

* - This ratio cannot be calculated as Asset Management Plan is incomplete as at 30 June 2013.



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDIT REPORT TO THE ELECTORS OF THE SHIRE OF EXMOUTH

Scope

We have audited the financial report of Shire of Exmouth for the year ended 30 June 2013. The financial report comprises the Statement by Chief Executive Officer, Statements of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Rate Setting Statement and accompanying notes to the financial statements.

The Council is responsible for the preparation of a financial report which provides a true and fair view of the financial performance and position of the council in accordance with the Local Government Act 1995, and Regulations. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for accounting policies and estimates inherent to the financial report.

Audit Approach

We conducted an independent audit of the financial report in order to express an opinion on it to the electors of the Shire of Exmouth. Our audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995, and Regulations, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Council's financial position, and of their performance which is represented by the results of operations and cash flows.

We formed our opinion on the basis of these procedures, which included:

- examining on a test basis, information to provide evidence, supporting the amounts and disclosures in the financial report.
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the directors.

Whilst we considered the effectiveness of managements internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.



Independence

Anderson Munro & Wyllie are independent of the Shire of Exmouth, and have met the independence requirements of Australian professional ethical pronouncements and the Local Government Act 1995.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial statements of the Shire of Exmouth are properly drawn up:

- a) So as to give a true and fair view of the state of affairs of the Shire as at 30 June 2013 and the results of its operations and cash flows for the year then ended;
- b) In accordance with the requirements of the Local Government Act 1995; and
- c) In Accordance with Applicable Australian Accounting Standards.

Other Matters

During the course of the audit we became aware of the following instances where the Council did not comply with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

- a) FM Reg 50(1) – all seven ratios were not included in the financial report due to the Shire not having a complete Asset Management Plan in place required for calculating the Asset Renewal Funding ratio.

Statutory Compliance

- a) We did not during the course of the audit, become aware of any instance where the Council did not comply with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.
- b) There were no material or significant adverse trends in financial position or financial management practices revealed during the course of our audit.
- c) We have obtained all necessary information and explanations in relation to our audit.
- d) Our audit procedures were all satisfactorily completed.
- e) In relation to the Supplementary Ratio Information presented at page 61 of this report, we have reviewed the calculations as presented and in our opinion these are:
 - i) Based on verifiable information; and
 - ii) Reasonable assumptions.

Dated the 20th day of November 2013 in Perth, Western Australia

BILLY-JOE THOMAS
Director

Anderson Munro & Wyllie
ANDERSON MUNRO & WYLLIE
Chartered Accountants