

SHIRE OF EXMOUTH  
**ANNUAL REPORT**

2015/2016

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# 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.

For more information visit our website at [www.exmouth.wa.gov.au](http://www.exmouth.wa.gov.au)



# The Shire of Exmouth in Focus

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.

## Shire of Exmouth Council



**CR C (TURK) SHALES**  
Term expires: 2017



**CR M (MICK) HOOD**  
Term expires: 2017



**CR S (SUZANNE) MCHUTCHISON**  
Term expires: 2019



**CR J (JAMES) ROSCIC**  
Term expires: 2019



**CR S (SHANE) COOTE**  
Resigned June 2016



**CR R (BOB) TODD**  
Term expires: 2019

# Strategic Direction

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. Council encourages residents and stakeholders to actively participate in the future development of the 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 objectives from the *Shire of Exmouth 10+ Year Strategic Community Plan 2011* are outlined below along with the Shire's performance measures and relevant actions taken during the 2015/16 financial year.

## Objective 1 Economic: 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.

*To increase the number of local businesses, industries and services that will provide a range of employment opportunities for the people of Exmouth.*

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Maintain and review town planning strategies to ensure a diversity of land use options.	1.1.01	Ministerial Approval & implementation of new Town Planning Scheme	TPS 4 finalised	EMTP	TPS 4 adopted by Council
		Ongoing implementation of the new Town Planning Scheme	# of Development applications processed	EMTP	120 DA were processed
Explore the opportunities identified in the Gascoyne Pilbara Project Report stemming from the Resource sector.	1.1.02	Airline connections to North and hinterlands	New services in place in discussion	EMAS	Airlines Survey complete
		Investigate and support development of Multi-purpose Deep Water Wharf		CEO	Ongoing
		Promote Exmouth Lifestyle Choice Project; Exmouth Boat Harbour Expansion; Airline connections to north and hinterlands (resource industry); by continued engagement with the resource industry		CEO	Ongoing
		Provide support for Exmouth Boat Harbour Expansion	# of meetings attended	EMTP	6 Meetings were attended

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
		Review the 'Exmouth Lifestyle Choice' marketing material		CEO	Ongoing
Continue to work with the Chamber of Commerce and the GDC to promote investment opportunities in the region.	1.1.03	Continue initiatives identified in CBD revitalisation & foreshore plan		EMTP	Ongoing
		Facilitating land availability within CBD precinct for future development	# of Development Applications	EMTP	7 Inquiries were actioned
Implement key projects identified in the Gascoyne Regional Development Plan 2010 - 2020.	1.1.04	Participate in Gascoyne Regional Blueprint Planning		CEO	Ongoing
Attract industry specific recruitment and training provider/s.	1.1.05	Liaison with education and training providers to promote the creation of Exmouth specific training		CEO	Ongoing
Facilitate and assist innovative industries including research, marine, environment, aquaculture.	1.1.06	Provide facilities and support for research activities in Exmouth		CEO	Ongoing
		Support development of Multi-purpose Deep Water Wharf		CEO	Prospectus developed ' <i>Multi-Purpose Deep Water Wharf in Exmouth Gulf</i> ' Ongoing
		Support the Development of Aquaculture Industry		CEO	Ongoing
		Support the opportunities of Aquaculture opportunities in Exmouth		CEO	Ongoing
Lobby to expand the capacity of the Exmouth Boat Harbour.	1.1.07	Investigate potential expansion		CEO	Ongoing

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Lobby for improved telecommunication services.	1.1.08	Lobbying for prompt connection of National Broadband Network and upgrade of Mobile telephone coverage area.		CEO	Ongoing
Advocate for traineeships and apprenticeships throughout local business.	1.1.09	Promote with ECCI to employ a local school leaver program with local businesses.		CEO	Ongoing
Facilitate the development of coastal commercial assets at the industrial estate.	1.1.10	Strategy under review	Completed	EMTP	Completed

### Planned and balanced economic growth

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Plan to encourage balanced growth.	1.2.01	Adoption and review of Local Planning Strategy	LPS adopted by Council	EMTP	Ongoing
Support local business that promote environmental awareness and reward best practice.	1.2.02	Landfill site fee structure that rewards users that sort waste and dispose of at designated areas	Tip users more actively separating waste	EMHB	New fee structure adopted by council with increased fees for 'mixed waste'. Tip account holders advised of above and better waste separation will reduce tip fees

### Diverse tourism opportunities.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Develop and implement a Strategic Experience Plan for the Ningaloo – Shark Bay national landscapes.	1.3.1	Implementation of regional EDS Key Strategies with National Landscapes partners	Priority Strategies and actions identified; Regional and Local EDS actions undertaken	EMCE	Strategy Finalised in 2015. Implementation is responsibility of the Gascoyne Tourism Board. Commenced an Exmouth Cruise Ship Committee to improve the Cruise Ship

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
					experience, welcoming activities and cruise ship infrastructure (Shade, berthing facility).
Review operations of the visitor centre and how the region is promoted.	1.3.2	Support and ongoing monitoring of EVC	Monitor EVC operations through Funding Agreement; Promotional opportunities implemented	EMCE	Bi-annual reporting to Council based on KPI's for the EVC. Councillor and EMCE members of the committee to support and monitor EVC activities.
Develop an Economic Development Plan and Tourism Plan to take Exmouth's distinct characteristics into consideration.	1.3.3	Ensure the 'Tourism Experience Development Strategy' is incorporated into the Gascoyne tourism development approach.	Exmouth Tourism priority strategies and actions identified; Regional and Local EDS action undertaken	EMCE	Ongoing. Gascoyne Regional Tourism Plan was finalised which also has implications for Local Tourism and Economic Development. Awaiting implementation and possible integration of the regional plans before engaging on local plan.

### Maintain and increase the defence presence

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Lobby government for Exmouth to become a strategic defence hub.	1.4.1	Continue liaison with Defence Department to assist in logistical arrangements. Make land available for accommodation of Defence Force Personnel.		CEO	Ongoing
		Seek commitment from Federal Government for Exmouth to become a Defence Hub for North West Australia - ADF Posture Review		CEO	Ongoing

## Maintain and Improve Shire Infrastructure.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Advocate for the provision of infrastructure and utilities to facilitate economic growth.	1.5.1	Lobby for continuation of underground power network		EMES	Ongoing
		Lobby for relocation and commissioning of Waste Water Treatment Plant by Watercorp	Commitment by Water Corp to relocate ponds by early 2018	EMHB	Written commitment from Water Corp to relocate by early 2018 obtained following secured meetings and written communications
		Lobby LandCorp for release of Nimitz Street sub-division lots	# of meetings held with Land Corp	EMTP	Ongoing
Lobby to become the hub for regional air services.	1.5.2	Engage with Department of Transport on deregulation of Learmonth Airport services	DoT notices on deregulated position for Learmonth Apt	EMAS	DoT deregulated Learmonth Airport from Feb 2016. No further action to be undertaken
		Undertake air route connectivity survey	Survey complete	EMAS	Survey undertaken Oct-Nov 2015 Report released Dec 15 and provided to industry Government and Tourism Stakeholders
Adopt and implement a plan for expansion of the airports and operations.	1.5.3	Develop Exmouth Aerodrome Master Plan	Master Plan complete	EMAS	Master Plan commenced
		Implement infrastructure upgrades at Exmouth Aerodrome	Planned and Infrastructure upgrades complete	EMAS	In progress

## Objective 2: Environment - 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. 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.

### To maintain and improve access and connectivity to our natural assets.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Develop and implement the initiatives that address access and connectivity in the Town Centre Revitalisation and Foreshore Development Plan, and the Structure Plan.	2.1.1	Construct stage 3 of the Town Centre Revitalisation (Maidstone Crescent)		EMES	In Progress
		Continuation of footpath network as per plan		EMES	Ongoing
		Initiate development of Trails Master plan	Trails Masterplan commenced.	EMCE	Key stakeholders consulted. Successfully applied For Grant Funding Successfully engaged a consultant Establish a Steering Committee for the project, to commence in 2016/17
Maintain and improve current level of access to coastal assets.	2.1.2	Continuation of revitalisation of Foreshore precincts		EMES	In Progress
Lobby State Government to improve access roads into town and for improved transport services.	2.1.3	Advocate for greater investment by State Government for improvements to Exmouth strategic roads		EMES	Ongoing

Our pristine natural environment and biodiversity will be understood, maintained and protected.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Establishment of the Ningaloo Research Centre within the Ningaloo Centre.	2.2.1	Attract research programs to be operated from the Ningaloo Centre	Ongoing Research programs and educational use	EMCE	<p>Research data and information incorporated into the Interpretive display area of the Ningaloo Centre</p> <p>Continuation of the Ningaloo Alliance (bi-monthly meetings, Terms of Reference) and discussions about future display of research and science in the Ningaloo Centre.</p>
		Commence construction of the Ningaloo Centre Project		CEO	Construction commenced November 2015. Anticipated completion date April 2017.
Promote partnerships with key stakeholders to engage the community.	2.2.2	To actively seek representation on relevant committees i.e. DEC and Ningaloo Alliance in projects and community programs	Council Represented on relevant committees	EMCE	Shire President is a member of the Ningaloo Coast World Heritage Advisory Committee; Council is represented on the Ningaloo Alliance. Council and Department of Parks and Wildlife continue the Jurabi-Bundegi Coastal Management Committee. Officers work with DPaW regarding school holiday programs with a focus on environmental and educational opportunities for young people.
Employ additional resources in community and environmental program	2.2.3	Deliver and contribute to environmental and research programs.	Programme Delivered	EMCE	<p>Partnership programme with WA Museum commenced regarding oral history project.</p> <p>Range of school holiday programmes delivered in partnership with DPaW.</p> <p>Ongoing activities with young people through Youth Action Exmouth.</p>
		Seek additional financial resources	Programme Delivered	EMCE	Various grant application submitted for Community Development programmes (DSR, Lotterywest, GDC).

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
		Seek local implementation of environmental programs like Reef Check, Conservation Volunteers, to train and include community volunteers	Programme Delivered	EMCE	Reef Check has recommenced. Other programmes not progressed.

### To have a town and community that takes pride in its world heritage status.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Promote and celebrate World Heritage status.	2.3.1	Include promotions of World Heritage status and values in marketing and branding opportunities	World Heritage values promoted	EMCE	Assistance provided to DPaW in the 5 year celebrations of World Heritage nomination.
		Promotion of World Heritage values in partnership with primary stakeholders	World Heritage values promoted	EMCE	Assistance provided to DPaW in the 5 year celebrations of World Heritage nomination.
Develop and provide information for local residents and tourists on World Heritage status.	2.3.2	Develop information on World Heritage status in partnership with DEC; include in corporate communication and interpretation for the Ningaloo Centre	WH Information sheet with photo database developed with DEC; WH information utilised	EMCE	DPaW has developed brochures and photo database. Shire rebranding includes a whaleshark in new Logo. Whaleshark Festival promotes and celebrates WH; Shire Website promotes WH area.  Ningaloo Centre (NC) interpretation will include WH values and information. New NC website to include WH information

### To be a leader in eco-friendly initiatives and innovations.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Investigate and consider preparation of local planning policies and/or design guidelines to integrate	2.4.1	Incorporate the design guidelines to integrate environmentally sustainable design principles in the Local Planning Scheme		EMTP	In Progress

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
environmentally sustainable design principles in all industrial, commercial and residential development.		Support programs and initiatives for the introduction of localised grey water treatment and reuse for future subdivisions		EMTP	Ongoing
The Shire and community, where possible adopts best practice environmental sustainable design and use initiatives.	2.4.2	Investigating the feasibility of the introduction of localised grey water treatment and reuse for future subdivisions	Future subdivisions incorporate localised grey water treatment and rescue in to design	EMHB	Ongoing
Progress regional renewable initiatives (i.e. solar, recycling, water wise, energy efficiency).	2.4.3	Investigate renewable initiatives	Implement Regional waste and Recycling Project	EMHB	Regional Waste and Recycle Project commenced Nov 2015 and due for completion 30 June 2017
Develop and implement sustainable recycling initiatives.	2.4.4	Ongoing recycling programs in the shire	As above	EMHB	As above

To make Exmouth an attractive town that is a comfortable and welcoming place to live and visit, and reflects the lifestyle values and unique natural environment.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Implement the outcomes of the Town Centre Revitalisation and Foreshore Development Plan.	2.5.1	Make land available for supermarket development.		EMTP	Ongoing
		Redevelopment of the Paltridge Memorial Swimming Pool	Implement redevelopment of PMS/Pool	EMHB	Redevelopment plan received and adopted by Council 29 June 2016 Submitted grant application for stage 1 of redevelopment

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
		Relocate Child Care to Visitor Centre building		CEO	In Progress – pending relocation of Visitor Centre to Ningaloo Centre anticipated April 2017.
		Relocate Toy library to Ningaloo Centre		CEO	In Progress – pending opening of Ningaloo Centre in April 2017.
Implement the projects identified in the Gascoyne Regional Development Plan 2010 - 2020.	2.5.2	Support relocation of Waste Water Treatment Plant		CEO	Ongoing
		Support underground power program		EMES	Ongoing
Advocate for relocation of key infrastructure in line with the Gascoyne Infrastructure Plan (i.e. power house, power network and sewerage ponds).	2.5.3	Engage with Horizon Power to coordinate a staged underground power network program		CEO	Ongoing
		Engage with WaterCorp on relocation of Waste Water Treatment Plant (WWTP)		CEO	Ongoing
Create the Ningaloo Centre to enhance the community and visitor experience.	2.5.4	Construct Ningaloo Centre		CEO	Construction commenced November 2015. Anticipated completion date April 2017.
Install flood mitigation measures to protect the town centre and future land developments.	2.5.5	Completion of Stage 2 LIA/Reid St Flood Mitigation Project		EMES	Completed
Continue to coordinate the Emergency Services (LEMC) for Exmouth.	2.5.6	Ongoing Training for LEMC members		EMES	Ongoing
		Plan for the establishment of an emergency response precinct		EMTP	In Progress

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Implement marketing strategies ie. Town Branding.	2.5.7	Develop Town Brand guidelines, including colour schemes, materials etc	Developed Guidelines	EMCE	Draft Public Art Strategy includes some guideline regarding colours and materials in line with branding/sense of place of Exmouth.

### Incorporate Climate Change impacts into current and future planning and policy of Land Developments.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Ensure that disaster management (eg. Flood mitigation and essential services) takes into account potential climate change impacts including community essential services.	2.6.1	Incorporate the disaster management principles in the Local Planning Scheme	# of disaster management principals incorporated into the scheme	EMTP	Ongoing
Consider the effects of climate change in all future land development, planning and policy.	2.6.2	Inclusion in new Local Planning Strategy of Exmouth South flood modelling, State Planning Policy 2.6 State Coastal Planning and WALGA climate change management principles.	Flood modelling studies incorporated on the scheme maps	EMTP	Ongoing

### Objective 3: Social - 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.

#### Retain a safe community environment.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
To engage the community in decision making and a shared responsibility to achieve our goals.	3.1.1	Actively engage and inform the community through: Community Forums, newsletters, Shire Website, Notices, Focus groups, Council Meetings and similar. Specifically target young people through Youth Action Exmouth (YAE).	Number of Forums & newsletters Number of Meetings with Youth	EMCE	Community Forums were held and about 10 Shire newsletters were issued. The Shire Website is being updated on an ongoing basis. A wide range of public notices were issued through post, email, website and Exmouth Info website. Workshops and consultations was held for the Exmouth Youth Plan, while Youth Action Exmouth (YAE) has weekly meetings. The Shire of Exmouth Facebook page was launched and has about 500 followers. New <i>Youth Alliance</i> and a Early Years Group commenced with key stakeholders.
To facilitate better engagement between government agencies and service providers.	3.1.2	Engage with State Government Agencies to co-ordinated outcomes in the Gascoyne Infrastructure Blue Print		CEO	Ongoing
Review and implement the Crime Prevention and Community Safety Plan.	3.1.3	Implement priority actions from the CPCS Plan	Meetings with Key Stakeholders Priority actions implemented	EMCE	Finalised. No actions to be implemented.
		Monitor Progress on the Plan.	Meetings with Key Stakeholders	EMCE	Finalised. No actions to be implemented

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
			Priority actions implemented		
Incorporate 'designing out crime principles' in planning for new developments.	3.1.4	Incorporate the design out of crime principles in the Local Planning Scheme	# of visions incorporated into the scheme	EMTP	Ongoing
Expand the ranger services and lobby for other enforcement services.	3.1.5	Expand compliance and enforcement procedures throughout the organisation	Reduction of illegal activities	EMTP	Ongoing

### Excellent lifestyle, recreational and cultural facilities.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Create the Ningaloo Centre to enhance the community and visitor experience (Refer 2.5.4)	3.2.1	Commence construction		CEO	Construction commenced November 2015. Anticipated completion date April 2017.
Build a new boat ramp and land based facilities at Tantabiddi.	3.2.2	Construct facilities at Tantabiddi		EMES	Ongoing
Develop, implement and regularly review a recreational, cultural facilities and public open space plan.	3.2.3	Commence project plan for the redevelopment of the Paltridge Memorial Swimming Pool	Review redevelopment plan Secure grant fund for redevelopment	EMHB	Review of redevelopment plan adopted by Council 29 June 2016 Grant Application lodged for stage 1 of redevelopment
		Develop a Recreation Centre Precinct Plan (RCPP)	RCPP developed	EMCE	Recreation Centre precinct Plan was developed in 2013; Implementation awaiting funding
		Develop a Shire Hall Functionality Plan (SHFP)	SHFP Developed	EMCE	Shire Hall Functionality Plan deferred.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Develop tourism and recreational infrastructure at the Exmouth Marina development.	3.2.4	Construction of jetties		EMES	Ongoing

### An inclusive, responsible and cohesive community.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
To be the tidiest town in Australia.	3.3.1	Promote and initiate projects under the Tidy Towns Program	Community ownership and awarded recognition Enhancement of town	EMCE	Ongoing. New Facebook page commenced (Exmouth Tidy Towns), programmes initiated. Worked with Golf Club to nominate water saving project. Exmouth Submission finalised.
Support festivals and events that promote and celebrate Exmouth's lifestyle, culture and heritage.	3.3.2	Contribute to Whaleshark Festival Programming, Ningaloo Music Festival and other major events as appropriate	Successful festivals and events	EMCE	Ongoing involvement in Whaleshark Festival Committee and programming; Member of the Gascoyne In May Festival committee. Art in the Park and Staircase to the moon were successful cultural community events coordinated by the shire.
		Coordinate celebrations and commemorations of historical events as they occur	Successful festivals and events	EMCE	Commenced planning for 50 Years Exmouth and Harold E. Holt to be delivered in September 2017.
Undertake a needs analysis and develop and implement a Youth Plan.	3.3.3	Review Exmouth Youth Plan and implement actions	Youth Survey results available Priorities from the Plan implemented with young people's input	EMCE	Plan Reviewed and discussed with Youth Action Exmouth (YAE).  Commenced an Exmouth Youth Alliance with key stakeholders to address youth related issues and a youth action plan with shared responsibilities.

A community that is well informed and educated about our natural, cultural and built environment.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Establishment of the Ningaloo Research Centre within the Ningaloo Centre.	3.4.1	Commence construction of the Ningaloo Centre Project	Commence construction of building	EMCE	Commenced construction
Promote partnerships with key stakeholders.	3.4.2	Involve key Stakeholders in Community Forums to inform the community	Bi-annual Shire Community Forums held Contribute to community information sessions with other organisations	CEO	EMCE: 2 community forums held.
		Major community events and activities like Health Expo, Sports Conference, and Career Expo's) are planned and delivered in partnership with other organisations.		CEO	EMCE: Shire contributed and/or organised with others: School Holiday Programs, World Heritage Celebrations; Naidoc Flag Raising, Career Expo, <i>Save-a-Mate</i> (SAM) workshop, Mental Health First Aid training
Employ additional resources in community and environmental programs.	3.4.3	Continue to seek grant support for community programs	Successful grants for community programs	EMCE	Various grant applied for and received.
		Engage key stakeholders and community volunteers to contribute to community programs.	Increased volunteer participation in programs	EMCE	Involved volunteers (i.e. Youth) in various community events and activities, club events, Festivals (whaleshark Festival)
Organise cultural awareness training.	3.4.4	Celebrate important cultural and historic events.	Cultural Events Held	EMCE	Contributed and delivered to celebrations and commemorations. Delivered and created awareness around events like Vietnam Vets Day, Remembrance Day, Relay For Life; Youth Mental Health programmes.
		Recognition of cultural events and communicate the importance and meaning of events like Australia Day, ANZAC and Remembrance Day to the organisation and wider community	Australia Day, ANZAC and Vietnam Veterans Day, Remembrance Day Celebrated.	EMCE	Celebrated Australia Day, ANZAC and Vietnam Veterans Day, Remembrance Day in partnership with community organisations and community attendance and participation.

Maintain and increase the participation levels in local community organisations and clubs.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Support and acknowledge the contribution of volunteers through a variety of programs.	3.5.1	Assist volunteer organisations like Birds Australia, Reef Check, and Conservation Volunteers, to undertake their activities in the Exmouth region.	Volunteer recognition programs and acknowledgement events conducted.	EMCE	Volunteer Recognition Programs (Sports Volunteers, Premiers Active Citizenship Awards) delivered. "Thank you Night" (000 Ball) for emergency response volunteers was held. Secured funding for ongoing delivery of Club Development Officer role and services. Provided assistance to Volunteer Organisations and clubs.
		Continue the role of the Club Development Officer to provide training and support for Clubs	Volunteer recognition programs and acknowledgement events conducted.	EMCE	Ongoing Club Development Programme to assist Exmouth Clubs delivered. Workshops offered to clubs and community groups. Annual Calendar of events developed for community development activities and events.
		Ongoing Volunteer Emergency Services Reception and Sports Volunteer Awards	Volunteer recognition programs and acknowledgement events conducted.	EMCE	"Thank you Night" (000 Ball) for emergency response volunteers was held.
		Organise Australia day with Active Citizenship Awards.	Volunteer recognition programs and acknowledgement events conducted.	EMCE	Celebrated Australia Day and recognised Exmouth volunteers through Premier's Active Citizenship Award.
Support and assist community organisations and sporting clubs.	3.5.2	Development of Racecourse Business Case		EMTP	Not progressed
		Ongoing support for community volunteers/organisations via financial and/or in kind	Training and skill development opportunities delivered	EMCE	<p>Organisation supported through in-kind (staff time and fee waivers). Provision of Letters of support for grant applications. Workshops and training sessions provided, i.e. Healthy Club, Mental Health First aid, <i>Save-a-Mate</i> (SAM).</p> <p>Ongoing Club Development Programme to assist Exmouth Clubs delivered. Workshops offered to</p>

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
					clubs and community groups. Annual Calendar of events developed for community development activities and events.
		Ongoing support of clubs & community development positions	Training and skill development opportunities delivered	EMCE	Ongoing Club Development Programme to assist Exmouth Clubs delivered. Workshops offered to clubs and community groups as per above. Annual Calendar of events developed for community development activities and events. Seniors week saw a high tea and discussions about health and wellbeing when getting older.
		Prepare an Annual Community Development action plan.	Annual Community Development Action plan developed	EMCE	Not progressed

### Expanded education and training facilities and opportunities.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Advocate to agencies for the development of an increase in the provision of secondary, tertiary, traineeships and adult learning.	3.6.1	Increased operation of TAFE programs from the Ningaloo Centre		CEO	In progress pending completion of Ningaloo Centre in 2017.
		Participation in School Careers Local Expo		CEO	Ongoing
Advocate for apprenticeships and traineeships throughout Exmouth	3.6.2	Promote with ECCI a 'Employ local school leaver' program with local businesses		CEO	Ongoing

Residents and visitors have access to appropriate services and facilities to enhance their health and wellbeing.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Advocate for a tiered approach to aged care.	3.7.1	Work in partnership with State Government Agencies to investigate a tiered approach to aged care		CEO	Ongoing
Advocate for health and support services that meet the needs of the local community.	3.7.2	Continue to work with Health & Family Agencies on delivery of services	Annual Exmouth visits undertaken by State Government Officers based in Carnarvon; Health & Support Booklet finalised;	EMCE	Regional Mens' Health visited Exmouth; visit by Disability Services Commission, Department of Sport and Recreation, Ongoing partnerships with Health Organisations; Assisted Men's Shed to become incorporated and finding suitable premises.
		Coordinate Health related awareness programs to be delivered (i.e. Pink October, Movember)	2 Health awareness programs delivered.	EMCE	Mental Health first aid training provided. Relay for Life delivered.
		Facilitate the establishment of a Men's Shed	Men Shed Established	EMCE	Men Shed incorporated and establish a Men Shed in new premises.

There is a diverse range of residential land options available.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Advocate for State Government to release more land.	3.8.1	Host Exmouth Land Group Meetings	# of Land group meetings attended	EMTP	Ongoing
		Support construction and selling of the second stage of the Nimitz Street Subdivision and Learmonth Street Subdivision	# of meetings and discussions held with Land Corp	EMTP	Ongoing
	3.8.2	Undertake feasibility study on Lot 1403 Crown parcel	Feasibility study initiated	EMTP	Ongoing

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Council to investigate opportunities to acquire crown land for development.		Undertake feasibility study on Mortiss Street Crown parcel	Feasibility study initiated	EMTP	Ongoing
Develop affordable service workers accommodation,	3.8.3	Develop a business case, approval and tendering for the Lefroy Street housing project in partnership with Department of Housing.	Business case tendering completed	EMTP	Construction of dwelling currently taking place

## Objective 4: Civic Leadership - To work together as custodians for 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.

### To be a collaborative community with the capacity to manage the current and future direction of Exmouth.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
To engage the community in decision making and a shared responsibility to achieve our goals.	4.1.1	Continue community meetings and consultations as a way of promoting effective information sharing.		CEO	Community Forums held in 2016. Ongoing
		Ongoing review of Website content		CEO	Ongoing. Latest News content on website consistently updated.
To facilitate better engagement with government agencies and key stakeholders.	4.1.2	Engage State Government Agencies to co-ordinated outcomes in the Gascoyne Infrastructure Blue Print		CEO	Ongoing

### A local government that is respected, professional, trustworthy and accountable.

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Provide opportunities for training, education and professional development of officers and elected members.	4.2.1	Attendance at relevant conferences and professional development opportunities for Staff and Councillors		CEO	Ongoing

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
To strive for a high level of effective communication, internally and externally.	4.2.2	Conduct community engagement meetings	Number of Forums	CEO	2 Community Forums were held.
		Manage Website and electronic information. Regular issue of Newsletters	Newsletters Review undertaken of Website	EMCE	About 10 Shire newsletters were issued. The Shire Website is being updated on an ongoing basis.  New Shire of Exmouth Facebook Page commenced and managed.  Electronic Newsletters send to Key Stakeholder Ningaloo Centre project.
Encourage and promote a culture within the organisation that aligns with the values of the Strategic Community Plan.	4.2.3	Development of communication strategy for improved knowledge sharing across the organisation		CEO	Ongoing
Ensure compliance with all relevant legislation and regulation.	4.2.4	Completion of Compliance activities		CEO	In Progress
Maintain a corporate structure that reflects and meets the needs of the community.	4.2.5	Monitor staffing levels and operational performance in accordance with the Workforce Plan and ensure that sufficient resources are provided to deliver required service levels		CEO	Ongoing
Provide sufficient resources to facilitate effective governance.	4.2.6	Improve office layouts that support efficient service		CEO	Ongoing
		Ensure adequate training, mentoring and remuneration is available to attract and retain staff and councillors		CEO	Ongoing

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
For the organisation to be responsive to the community's aspirations, where appropriate.	4.2.7	Conduct a Community Survey regarding community needs and Shire services (performance)	Community Survey completed & considered	EMCE	Youth Survey conducted and incorporated in Youth Plan. Resulted in new Youth Alliance with key stakeholders.  Public Arts Strategy developed and engaged community and conducted survey and workshops.
Investigate revenue generation and funding opportunities that will fund future operations.	4.2.8	Manage leases and licences of Council owned and managed land		CEO	Ongoing
Ensure that community facilities are being developed and rationalised in line with Council's financial capacity for a growing community.	4.2.9	Refurbishment of Council Chambers		CEO	Ongoing
		Review Council Properties to ascertain opportunity for commercial benefit and/or rationalisation		CEO	In Progress

### To be strong advocates representing the region's interests

Strategy	SCP Link	Action	Performance Measure	Responsibility	Actions Taken
Create platforms for better engagement with government agencies and key stakeholders.	4.3.1	Engage State Government Agencies to co-ordinated outcomes in the Gascoyne Infrastructure Blue Print		CEO	Ongoing
Continually review the Strategic Community Plan through community engagement to ensure it represents the community's interests.	4.3.2	Conduct bi-annual survey of community	Survey completed and considered	EMCE	Not commenced.
		Full review of the Strategic Community Plan		CEO	In Progress. Review to be conducted in 2017

# Exclusive Explore Extreme



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# Shire President

It is with pleasure that I present the Shire of Exmouth's 2015/16 Annual Report. Now into my 7th year as a Councillor and my 6<sup>th</sup> year as Shire President, I am very pleased with Council's solid progress towards building a sustainable future for Exmouth.

Council continues to focus on four key development areas: tourism growth, an increased Defence presence, support for Oil & Gas activities and maximising opportunities in Aquaculture.

A major project that supports these focus areas is the construction of the \$32 million Ningaloo Centre which commenced construction in November 2015 and is on schedule to be open in April 2017.

Progress has also been made on securing a permanent berthing facility for large vessels in the Exmouth Gulf. This will support the Cruise Shipping industry and ensure our community benefits from this growing tourism sector.

In 2015/16 the Light Industrial Area and Reid Street Flood Mitigation stage two project was also completed. This will protect businesses in the area from inundation during extreme weather events.

However, one of my proudest moments as Shire President, came in September 2015, during the Exmouth Relay for Life event. Relay for Life highlighted for me the compassion, courage, humour and determination of our community. We raised a phenomenal \$81,998.25 for cancer research and once again showcased our indomitable spirit and what we can achieve when our town pulls together.

Finally, I would like to thank all Councillors, the Chief Executive Officer, Executive Managers and all staff of the Shire for their continued support. We will continue to strive for excellence and work together to support this beautiful place we call home.



**Cr C (Turk) Shales**  
**Shire President**



# Executive Services



## Bill Price – Chief Executive Officer

### Executive Services Team

Sue O'Toole	Executive Manager Corporate Services
Jenny Kox	Executive Manager Aviation Services
Rogé 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 (Oct 2015)
Holly Faxon	Executive Secretary (March 2016)
Michelle Head	Executive Secretary

Strategic Planning  
Governance  
Policy  
Organisational Development  
Economic Development

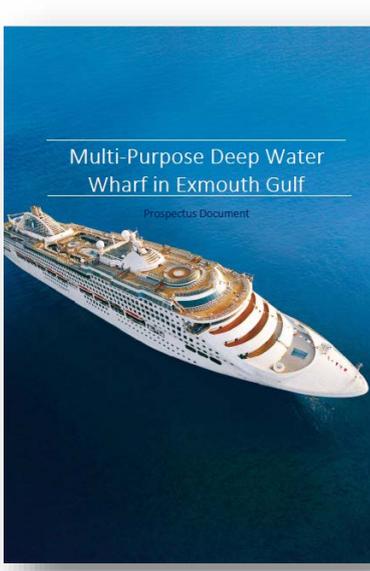
## Executive Services

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.

Council has again achieved significant outcomes for the benefit of the wider community during 2015/16, with the Council continuing its emphasis on high end strategic planning for the long term future of Exmouth.

A summary of the major strategic activities undertaken during the period include:

### Cruise Shipping Opportunities



The Council's major focus for the year has been the investigation for the development of suitable deep water berthing facilities within the Exmouth Gulf that will service various industries, particularly the burgeoning Cruise Shipping market.

The lack of suitable berthing infrastructure in Exmouth has traditionally seen more than 50% of scheduled visits being abandoned. Exmouth has been identified as a critical port for the Western Australian cruise line itinerary.

In partnership with the GDC, the Council during the year initiated various investigations into the potential development of the Barge Load-out Facility owned by a private company which culminated in a Prospectus Document titled 'Multi-Purpose Deep Water Wharf in Exmouth Gulf'. This document was used to generate interest at the Federal and State Government levels.

Whilst this project is still considered as a longer term opportunity for Exmouth, the Council has continued its investigations into shorter term and more affordable options so that the community can benefit immediately from the cruise shipping tourism potential.

Other developments on the cruise shipping front during the year has seen the establishment of a local Cruise Ship coordinating committee which has already made a difference to the visitors experience. Exmouth is now also represented on the Tourism WA Cruise Shipping Committee.

## Ningaloo Centre Project



The Ningaloo Centre continues to be the landmark project for the Council and has progressed significantly over the year. During this period the design phase was completed in preparation for a new tender being called for the construction stage of the project. As the tender was during a period of decline in the building industry prices received were very competitive. It was very pleasing that FIRM, a large reputable construction company with extensive regional experience was appointed as the successful tenderer. Site Architecture and Freeman Ryan Design have also provided excellent design work that will be reflected in the finished product.

A 'Turning of the Sod' event which started with a real bang was held on 4 November 2015 signified the beginning of the project. FIRM commenced onsite in early December 2015 with a construction timeframe of 65 weeks concluding end of February 2016. With an extra month allowed for fit-out it is anticipated that the Centre will be opened to the public by the 2017 April School Holidays.

It has been especially pleasing that the Council have managed to forge some strong partnerships with external agencies that will assist in the Ningaloo Centre achieving its goals and being a state of the art facility for the community well into the future. Council welcome and look forward to building these relationships with UWA Oceans Institute and the Ningaloo Alliance members, Central West TAFE, Ningaloo Visitor Centre, Gascoyne Development Commission, and Museum's WA.



## Advocacy for State Government Infrastructure Projects

Council continues to provide strong advocacy to the state government infrastructure projects identified for the Exmouth community including:

- Waste Water Treatment Plant Relocation,
- Exmouth Boat Harbour Redevelopment Project,
- Affordable Service Worker Housing Project.

## Future Projects

Projects that will have a major focus by the Council in 2016/17 include:

- Ningaloo Centre
- Recycling Drop-Off Processing Centre
- Consultation Process for Review of the Community Strategic Plan
- New Town Planning Scheme No. 4

## Council Meeting Dates

The Councillors meet regularly to discuss matters requiring decision and consideration. These meetings are held at 4.00pm 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 2017.

## 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 and anyone may attend. Agenda documents will be available at the meeting or online 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](http://www.exmouth.wa.gov.au) when they are available.

# Corporate Services



## **Sue O'Toole – Executive Manager Corporate Services**

### **Corporate Services Team**

Taryn Ryan – Administration Officer

Vicky Nelson – Administration Officer

Holly Faxon – Administration Officer

Kevin Perraudin – Accountant

Cally Schmidt – Finance Officer

Robyn Thomas – Finance Officer

Kevin Bayne – Human Services Agency Officer

Maureen Graham – Human Services Agency Officer

**Administration Services**

**Financial Services**

**Records Management and Information Systems**

**Insurance and Risk Management**

**Cemetery**

**Centrelink Agency**

## Corporate Services

The 2015/16 Financial Year was a busy year for Corporate Services, with the updating of integrated planning and reporting requirements as well as continuing with implementing many improvements to our records management system, in particular, archiving and disposal of records.

### Community Donations/Assistance

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

<b>Donation Recipient</b>	<b>Amount \$</b>
Exmouth Anglican Church	59
EDHS Chaplaincy Program	3,000
Exmouth Christian Fellowship	1,668
Exmouth Cultural Arts Centre	1,310
Exmouth District High School	860
Exmouth Eagles Football Club	369
Exmouth Game Fishing Club	212
Exmouth Golf Club	1,243
Exmouth Lioness	869
Exmouth Kart Club	224
Exmouth Men's Dart Club	322
Exmouth PCYC	117
Exmouth Relay for Life	10,645
Exmouth Senior Citizens	2,600
Exmouth Tennis Club	95
Exmouth Volunteer Fire & Rescue	40
Exmouth Volunteer Marine Rescue	250
Exmouth Whaleshark Festival	350
Wildlife Care Group	889
Carnarvon Rangelands Biosecurity Association	5,000
Central Regional TAFE	250
Christian Surfers Australia	500
Other & In Kind Works	3,919
<b>TOTAL</b>	<b>34,791</b>

### Cemeteries

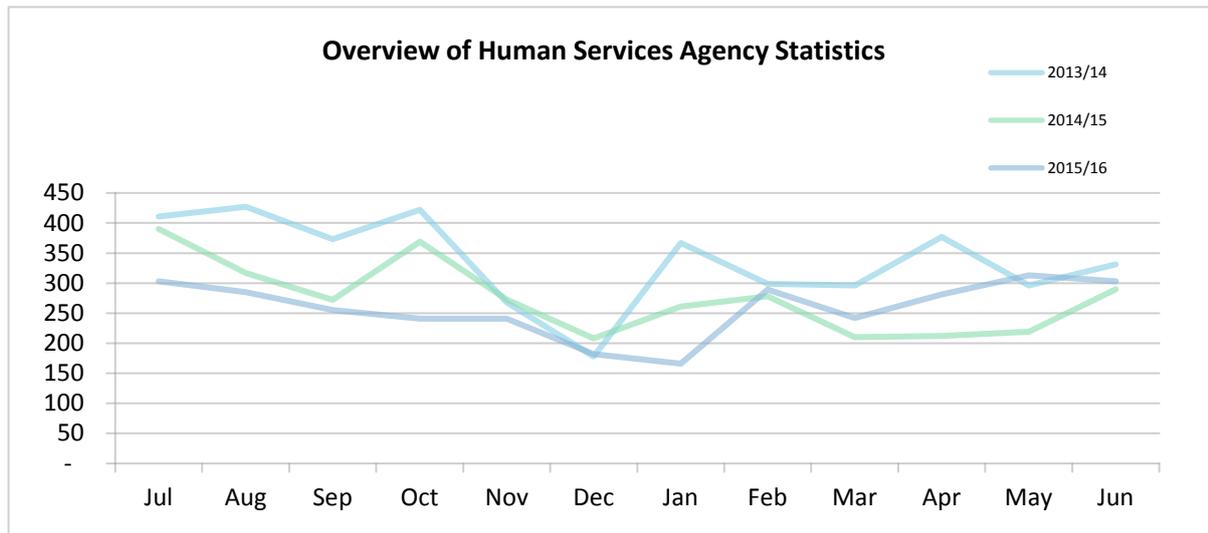
A guide to the Exmouth Public Cemetery was published in early 2008 and it assists on an ongoing basis in the process of arranging a suitable grave or niche memorial.

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 2015/16 564 forms were lodged on behalf of the public and staff responded to 1,404 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 down when compared to previous year of 790 forms lodged and 1,442 responses to general enquiries. The reduction is partly due a rise in the number of customers utilising the Human Services website.

## Human Resources

As at 30 June 2016, the Shire has a workforce of approximately 74 staff (permanent full time and part-time, contract and casuals), equivalent of 63.45 full time employees (FTE). During 2015/16 there were 7 resignations with a turnover rate of 9%. This is lower from the previous year that had a turnover rate of 23%.

## 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 full review to be scheduled in 2016/17.

## Integrated Planning and Reporting Framework:



Council continue to review 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 is being 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 2015 to 30 June 2016 and provides an overview of Council's financial management and performance.

Summary of Revenue and Expenses:

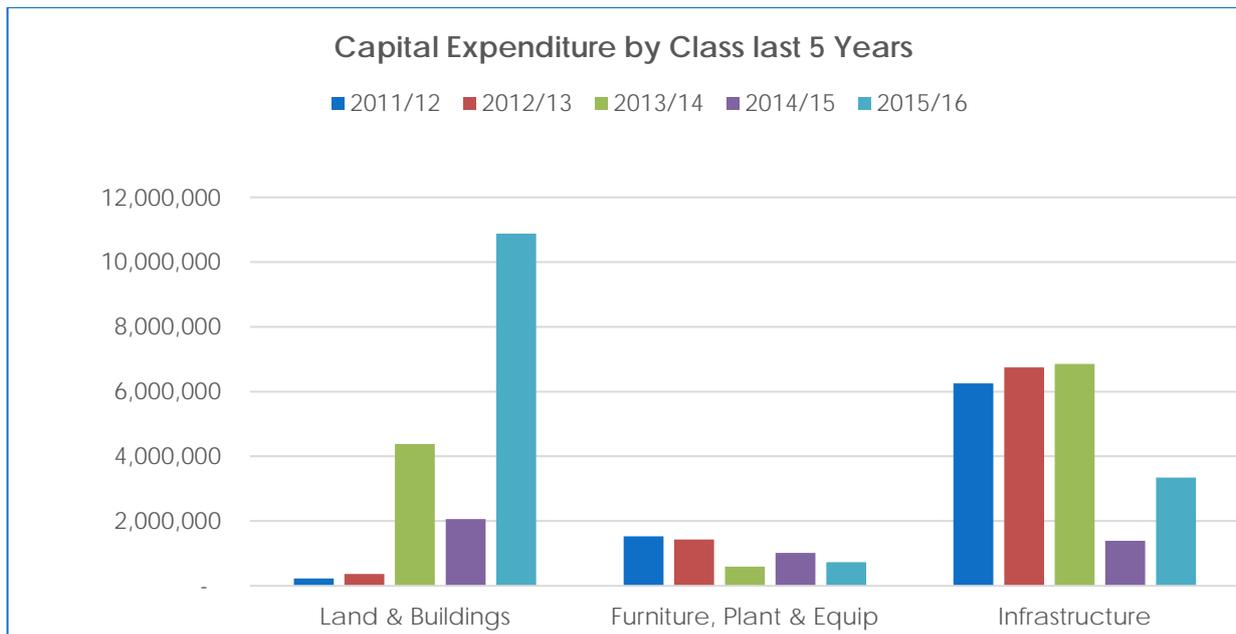
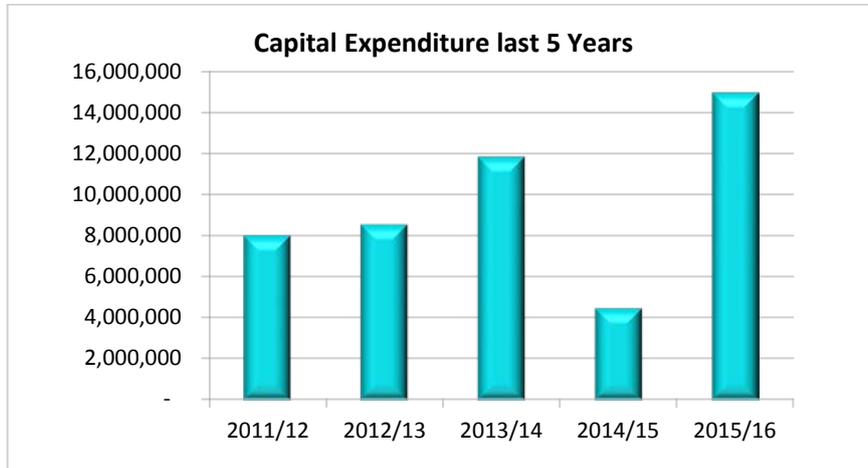
	2015/16	2014/15	2013/14
	\$	\$	\$
<b>Operating Revenue</b>	13,187,072	16,139,102	12,066,776
<b>Operating Expenditure</b>	(15,905,349)	(18,113,046)	(15,701,986)
<b>Non Operating Grants</b>	21,923,373	1,779,556	6,352,714
<b>Capital Works: Buildings &amp; Infrastructure</b>	(14,950,623)	(4,476,008)	(11,823,951)

Council budgeted an estimated closing surplus of \$2,880, however finished the year with a closing surplus of \$125,545 for 2015/16. This result was higher due to:

- Additional revenue received from increased landings and passengers at Learmonth Airport
- Some projects were not initiated during 2015/16.

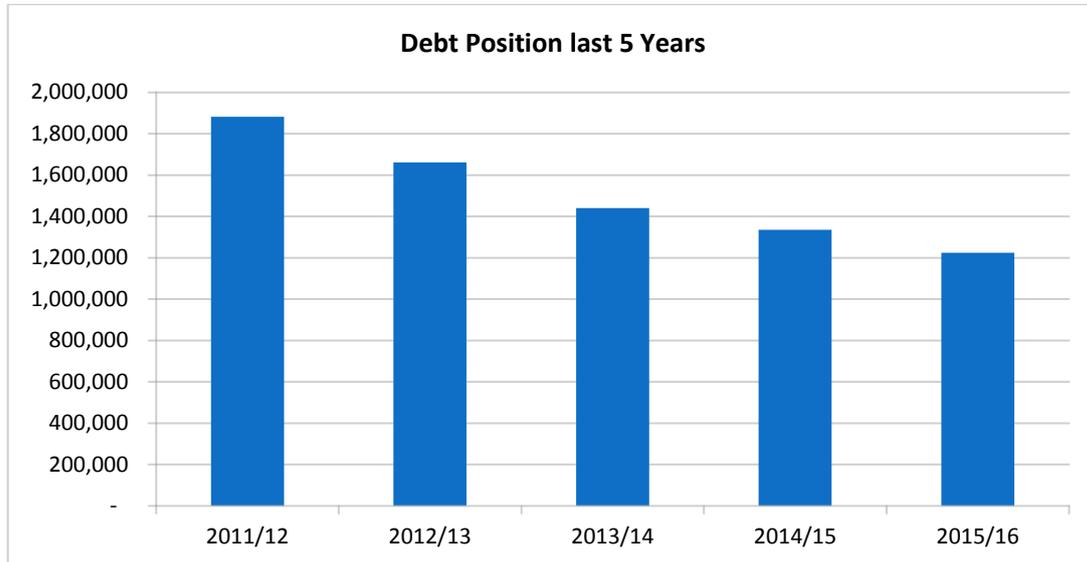
## Capital Acquisitions

During 2015/16, \$14,950,623 was expended on capital acquisitions and when included in the previous four years, the total expenditure is \$47.8m. Council relies on government grants to fund the majority of its capital works.

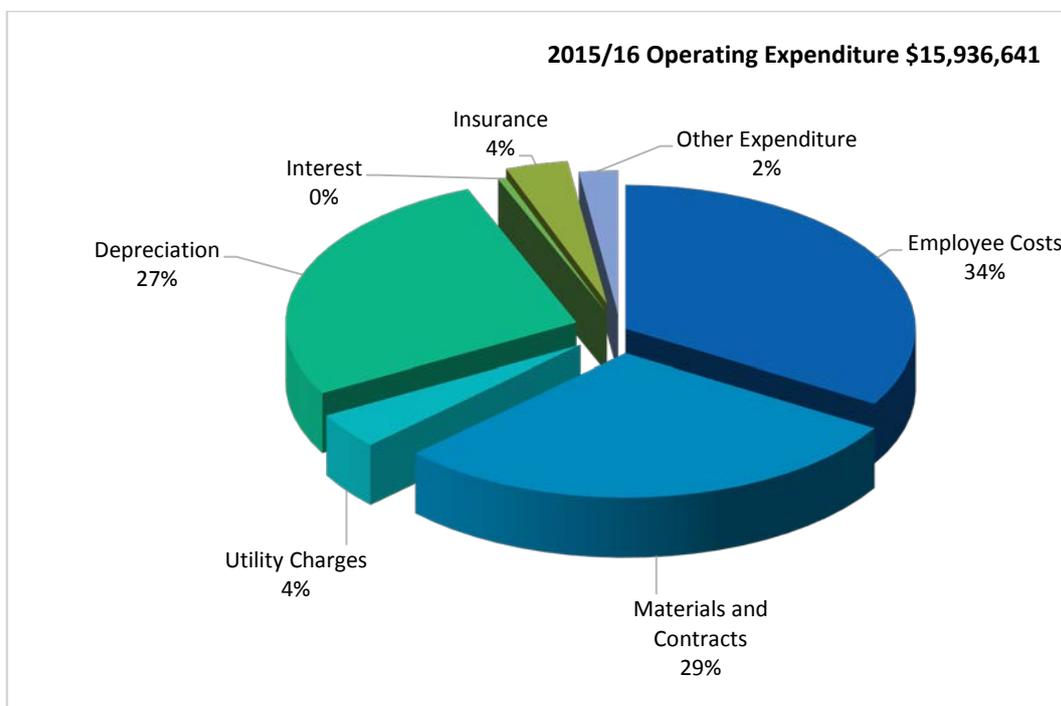
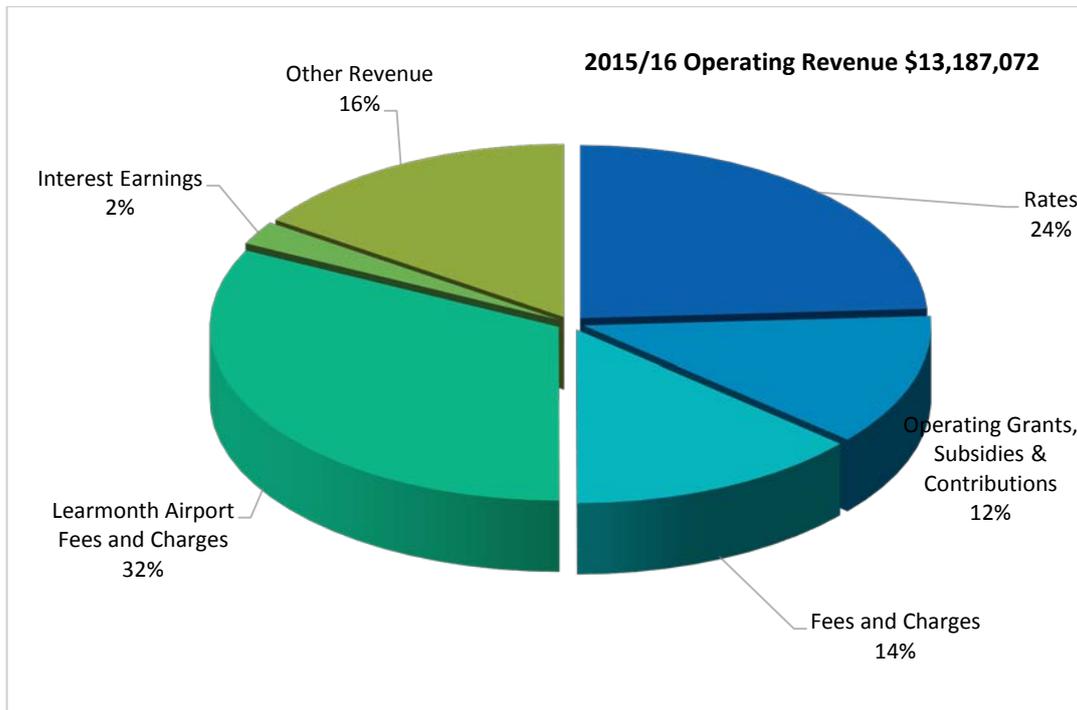


## Borrowings

Council is easily servicing its debt with principal repayments representing 9% of the debt servicing obligation during 2015/16. 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.



## Graphical overview of Operating Revenue & Expenditure



In 2015/16 for every \$100 the Shire of Exmouth spent:



# Aviation Services



## Jenny Kox – Executive Manager Aviation Services

### Airport Team

Edward Boney	Airport Officer
Stephanie Daniell	Airport Officer (resigned 20 June 2016)
Brooklyn Foster	Airport Officer
Andrew Froome	Airport Officer
Isabella Froome	Airport Officer (Casual)
Julia Kernaghan	Airport Officer
Sofia Kovac	Airport Officer (Casual)
Stephen Kox	Airport Manager
Renata Miller	Airport Officer
Jeffrey Nelson	Airport Officer
Clif O'Toole	Heliport Coordinator
Delores Percival	Airport Officer
Stephanie Price	Airport Officer
Sheonie Quayle	Airport Officer
Maryann Smidt	Airport Officer
William Smidt	Airport Officer
Sherree Stevens	Airport Officer
Geoff Woodvine	Airport Officer
Roger Wren	Airport Officer
Isaiah Zschech	Airport Officer (Trainee)

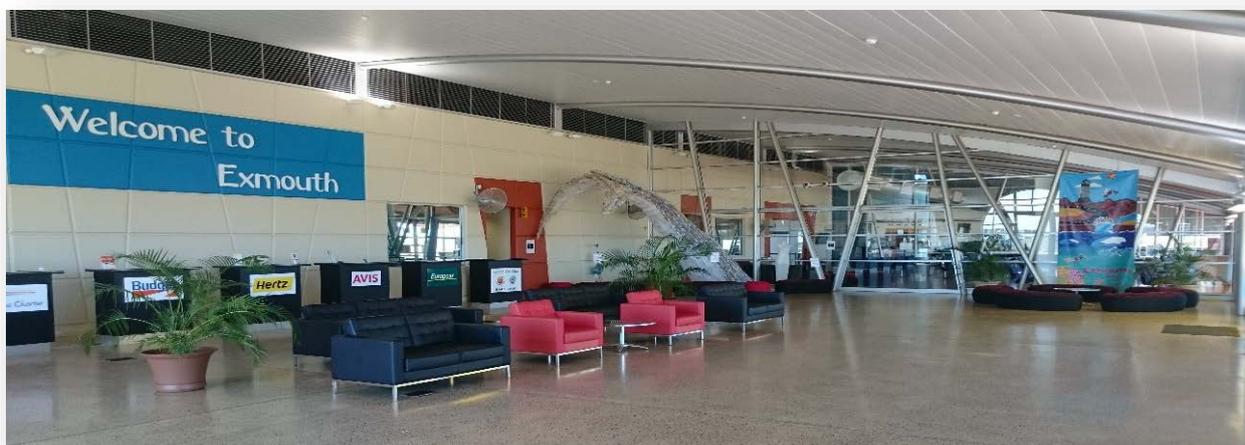
[Airport Services](#)  
[Aerodrome Services](#)  
[Heliport Services](#)

## Aviation Services

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



Customer service has been the strong focus of 2015/16 with the introduction of our airport promise "*Where your extraordinary Ningaloo experience begins*". This promise has been embraced by airport staff and tenants alike, and Customer Care Standards have been developed for all areas of Learmonth Airport. These Customer Care Standards have been endorsed by our largest stakeholder Qantas as it is in line with their service delivery requirements, and now form the basis of all airport worker inductions and contracts with tenants.



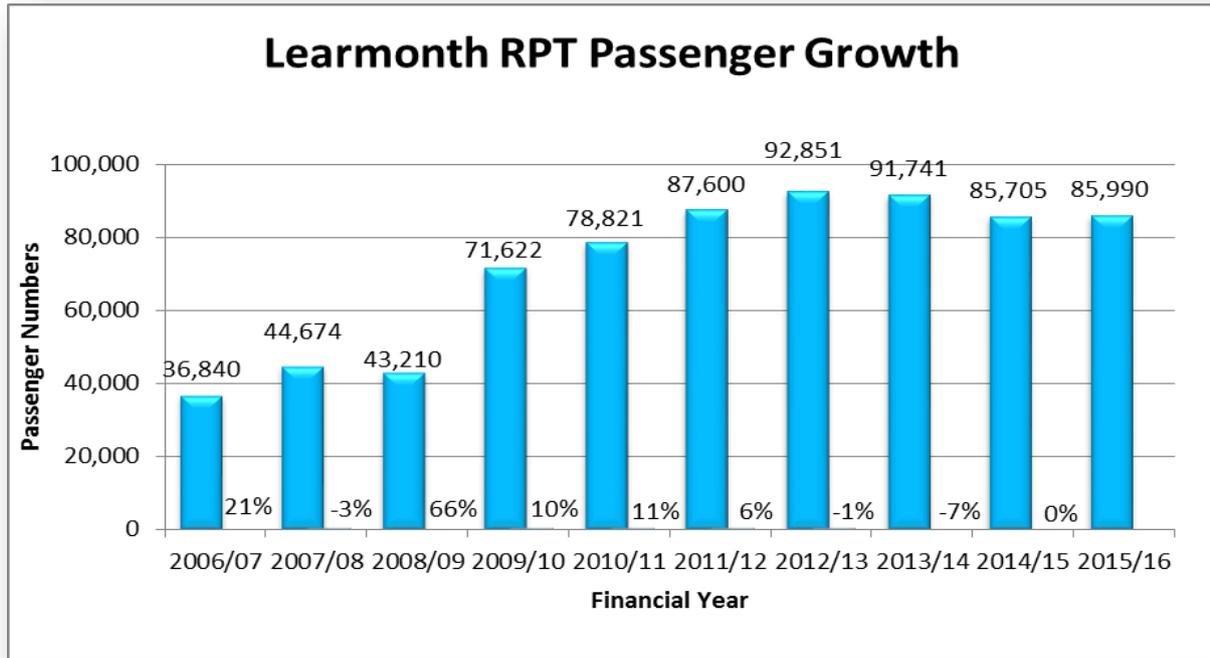
## Learmonth Airport

### Airlines

On 17 February 2016, the State Government's Department of Transport (DoT) fully deregulated the Perth-Learmonth air route which now allows for open competition on the route. DoT have committed, however, to continue a level of oversight on the route in a less regulated manner whilst there is only one operator on the Perth-Learmonth route to ensure monopolistic behaviour does not occur in regards to airfares.

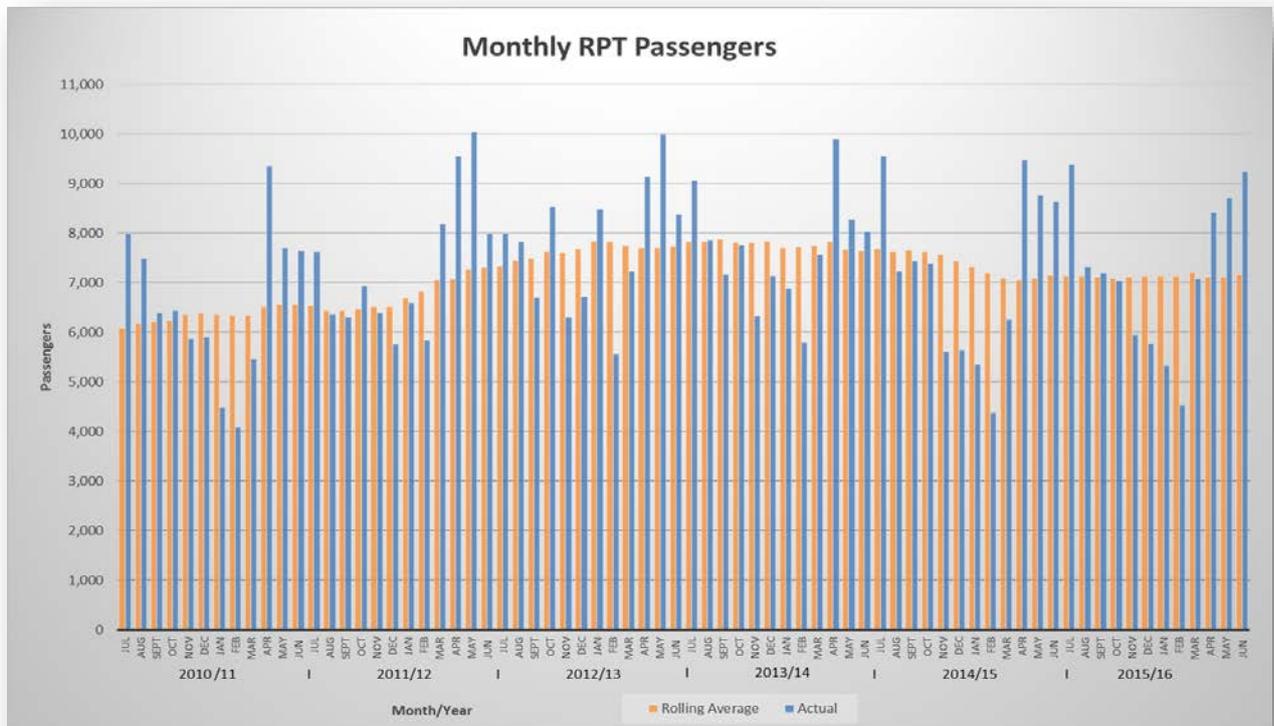
Qantas reduced some services across the quiet January period with only the morning aircraft operating on 8 days. It is likely that this will again occur in January 2017.

There were 85,990 RPT passengers for the 2015/16 financial year which represents a very marginal 0.34% increase (or 285 more passengers) on the previous financial year. Most other airports in WA have continued to see passenger decreases, so to remain at current levels is encouraging especially with the continuation of reduced drilling campaigns by most of the offshore oil and gas companies due to the low international oil price.



June 2016 saw the highest number of RPT passengers when compared to the corresponding month over any financial year.

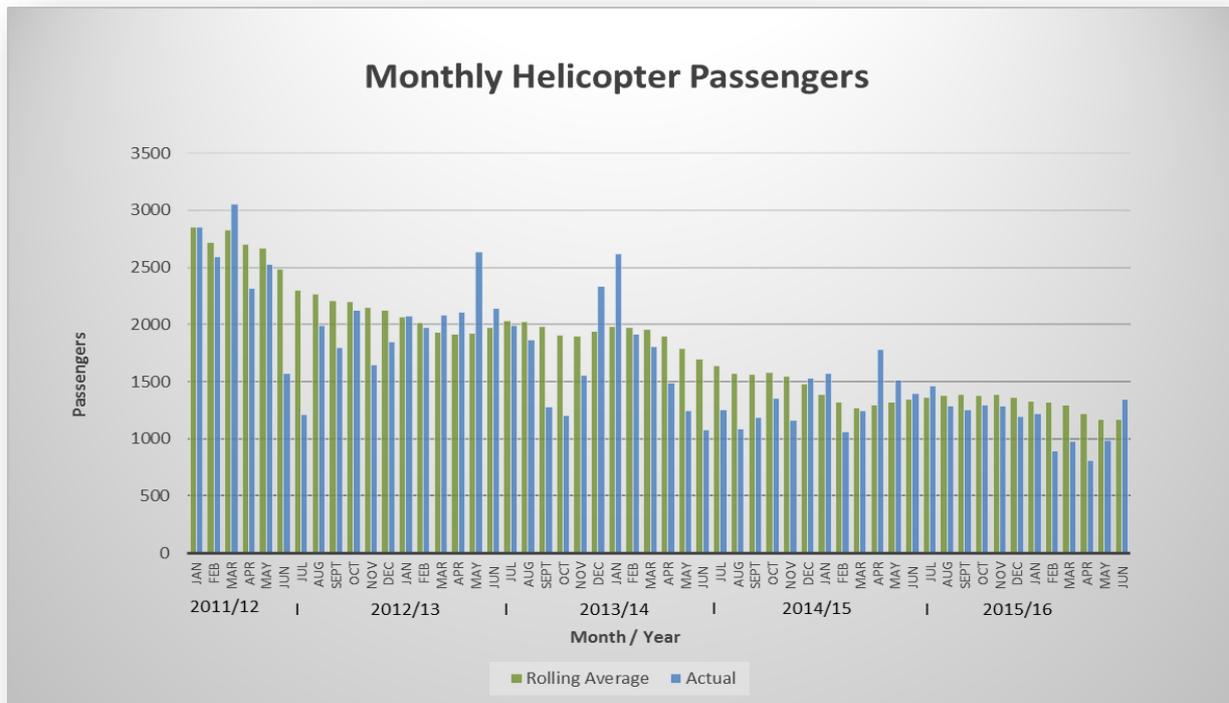
The below graph shows the actual passenger numbers in blue and the rolling monthly average over the years in orange. The orange line better reflects the trend in passenger numbers whilst taking out the peaks and troughs that can be seen when looking at each month alone.



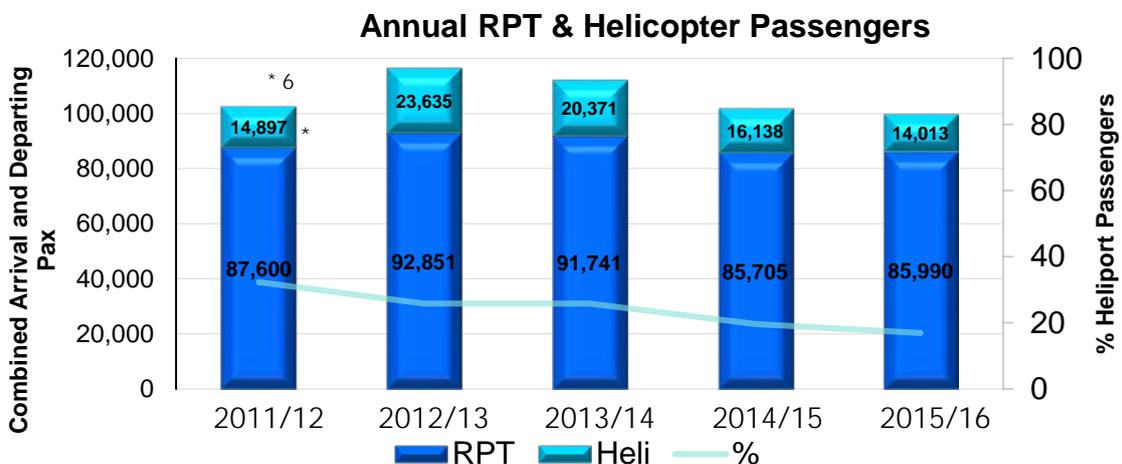
## Heliport

This year 14,013 passengers travelled in and outbound through the Heliport, which was 2,125 less passengers than the previous financial year, down a further 13%. This is reflective of a slowing down in drilling operations due to the ongoing low oil and gas price, and the cessation of BHP Billiton's Stybarrow field resulting in the Stybarrow Venture FPSO departing the field early in August 2015.

The below graph shows actual monthly passengers in blue and the rolling monthly average in green.

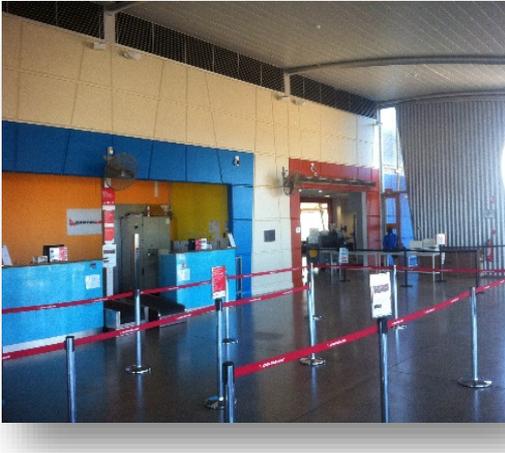


The average for the financial year of RPT versus helicopter passengers was 17%, again down 3% on the previous year.



## Projects

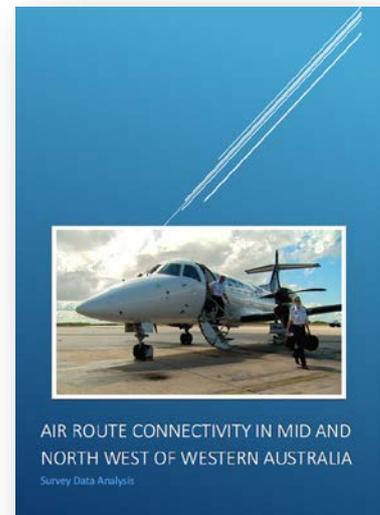
Internal painting of the terminal was completed with the café and check-in areas receiving their fresh coat of paint. The coming year will see some minor aesthetic improvements to the check-in desks to complete the look.



On the back of the focus on customer service, surveys are now being conducted on departing passengers with a view to understanding our customers needs in addition to obtaining demographical information on our passengers. Two rounds were undertaken during the year which provided feedback that customers are highly satisfied with the services being offered, but are looking for some improvement to wi-fi access (which has now been introduced) and more comfortable seating options in the café area. Completion of the survey is voluntary and participants receive a Learmonth Airport luggage tag as a thank you for their comments.

The development, coordination and preparation of the 'Air Route Connectivity in Mid and North West of Western Australia' was undertaken by Officers this year on the back of interest by a number of airports in the north west to further develop airline and airport connectivity. Surveys of the local communities associated with 15 airports from Geraldton to Kununurra were undertaken from 1 October to 15 November 2015 with an extensive report being released on 15 December 2015.

Changeover of security screening equipment occurred early in 2016 resulting in improved passenger facilitation through the screening point and access improvements associated with the new checked baggage x-ray.



## Exmouth Aerodrome

Expansion of the General Aviation precinct apron to accommodate a new tenant was undertaken during the year as was the application of a binding product to the runway.

Investigations continued during the year to look to provide fuel (AvGas) at Exmouth Aerodrome as this was highlighted during previous off-shore emergency response exercises as a requirement for operations. Similarly, there is a large general aviation community seeking AvGas supply at Exmouth so that they can add Exmouth to their flying itineraries.

Development of the Exmouth Aerodrome Master Plan continues with a view to completion in the coming year.

### Looking forward

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

- Staged changeover of internal lights to LED;
- Expansion of screened area into café including changeover of café furniture;
- Progressing of a Master Plan for Exmouth Aerodrome; and
- Investigate fuel provision at Exmouth Aerodrome.

# Community Engagement



## Rogé Kempe - Executive Manager Community Engagement

### Community Engagement Team

Sharon Regterschot

Taryn Ryan

Julie Throne

Bianca Smith

Amanda Fuery

Jaci Cutler

Library Coordinator

Library Officer

Library Officer

Library Officers

Community Development Officer

Events Coordinator

Community & Cultural Development

Community Infrastructure Planning

Youth and senior support

Tourism & Promotions

Communications & PR

Culture and the Arts

Festivals & Events

Disability support

Ningaloo Centre

Library Services

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 corporate communications and marketing through newsletters and media releases and plays a role in preserving and communicating Exmouth's history. The department also contributes to the management of existing and development of new community infrastructure. Involvement in the development stages of the new Ningaloo Centre have increased and the department is preparing for future management of the facility.

## Community Development

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

Emergency Services personnel were recognised this year at *The Triple O Ball*. Emergency services volunteers that keep our community and our visitors' safe, like St. John's Ambulance, Volunteer Fire Services and Marine Rescue were all invited to attend this event.

The *Premier's Active Citizenship Awards* also recognised Exmouth volunteers and were presented during a presentation on Australia Day.

## Culture and the Arts

Shire officers continued to work with Country Arts WA, the Exmouth Cultural Arts Centre (ECAC) and others to further develop arts & cultural opportunities in Exmouth.

In 2015-16 the Shire organised and supported a range of events.

This included:

- Sponsorship of *Artquest 2015*, the Art & Craft Fair and High School performances and events;
- Providing fee waivers to various local groups with their events;
- Hosting the Kimberley Theatre '*Staircase to the Moon*' production. The event attracted 150 people with nine Exmouth children attending a workshop which enabled them to participate in the show later that day.
- The Shire also co-ordinated '*Art in the Park*'. More than 200 people took part in a range of different art activities and 13 volunteers helped children to develop new art and craft skills.



## Club Development

The Shire continued to participate in the Department of Sport & Recreation (DSR) Club Development Program. The partnership allows the Shire to employ a Club Development Officer (CDO) to assist Exmouth clubs to improve their governance and develop sustainable club models.

Training and workshop opportunities were offered in the 2015-16 financial year and provided clubs with practical advice and assistance on financial management, organisational planning, communications and developing club policy and procedures.

The Shire continues to promote club participation in the *KidSport* program, which assists children from low income families with a financial contribution towards sporting club fees and uniforms.

Planning for the 2016 Festival of Sport event was completed in 2015-16. The inaugural event was hosted in partnership with the Exmouth PCYC and provided opportunities for youth to engage in new and existing sports and provide valuable professional development opportunities for Exmouth clubs.

Local clubs were assisted in accessing funding opportunities with many clubs also successfully receiving funding for remediation works following cyclones Quang and Olwyn.

## Infant, Youth and Seniors Services

### Infants

The Exmouth Early Years Network was formed in 2015-16 and consists of organisations who work with young children in Exmouth. Current membership includes the Shire of Exmouth, Exmouth District High School, local Child Health Nurse, Bernice McLeod Day Care Centre, Exmouth Playgroup and Exmouth Centacare. The Network has been working to establish its governance and has adopted a vision and mission statement. The vision adopted by the Network is *Growing healthy, happy and resilient children in our community*. Its mission is *Working collectively to support and build strong families and communities for our children*. This year the Network also delivered a number of free parenting workshops including Circle of Security and 123 Magic with support from Parenting WA.

### Youth

School holiday programs offered a wide range of activities, including *Food Craft* (creatively decorate a sandwich) and *Master Chef* (with assistance of PCYC and local restaurants). Also popular were *Beach Detectives* in partnership with DPAW which involved searching 'crime scene' for clues into what killed the 2 turtles.

The Shire and PCYC organised a Bike Safety workshop where young children completed a bike safety course and had their bikes engraved by local police officers. Officers continue to support Exmouth PCYC with a member on their Community Advisory Committee.

The newly formed '*Youth Alliance*' includes the Shire, Exmouth District High School, School Chaplain, Exmouth Police, Exmouth PCYC, and Exmouth Hospital Mental Health Social Worker. The Alliance is a valuable forum to discuss and address youth related issues, share information and knowledge and highlight opportunities for collaboration and resource sharing. Already the Alliance has provided valuable partnership opportunities that have resulted in training opportunities being offered in the school.

The Exmouth *Youth Needs Consultation & Analysis* (2015) will be used as a basis for the implementation of actions to address some of the issues identified and to develop a Youth Plan with the Exmouth Youth Alliance.

The Shire supported Exmouth District High School with Careers Week and set up a display about working for local government and highlighted the projects that Exmouth Shire is undertaking.

*Youth Action Exmouth* (YAE) continues to provide young people with opportunities for new experiences 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:

- Twelve young people joined YAE this year which is a great outcome.
- Compiling, distributing and analysing a survey of their peers to find out what kinds of events they would most like to see in Exmouth
- YAE organised a '*Wipe-out*' event with 53 teenagers attending.
- Christmas Hamper drive to support Exmouth families in need.
- YAE hosted a *Silent Disco*, made Oreo Pops and hosted a youth art stations including pebble art and body painting at the Ningaloo Whaleshark festival in May. The activities were well received by Exmouth youth with over 150 young people participating in the various events.
- Organised a music workshop, facilitated by local musician Colin Dodds, and attended by 6 young people. The students learned and recorded a song "*Somebody I Used to Know*" by Gotye.
- Participated in turtle tagging as part of the Ningaloo Outlook project and produced a short video of the experience.
- Hosted a group of teenagers from Onslow when they visited Exmouth, taking them on a glass bottom boat trip.

## Seniors

Seniors Week 2015 was celebrated with a high tea for 27 seniors who enjoyed a morning of quizzes & games, but more serious health and wellbeing related matters were also discussed.

## Health

The Shire of Exmouth partnered with Local Drug Action Group (LDAG) and Exmouth PCYC to run a *Save-a-Mate* (SAM)) workshop for the community and youth of Exmouth. 8 community members participated while the youth workshop provided 16 kids learnt lifesaving skills.

The Exmouth Relay for Life event was held in September 2015 and exceeded the funding target set. A phenomenal \$81,998.25 was raised by our small community. The Shire of Exmouth and many other organisations and businesses in town provided strong support for the event. About 190 people participated in the 24 hour walk and 97 people volunteered their time to help put the event on.

The Shire facilitated two Mental Health First Aid training courses which are aimed at educating community members about how to assist a person who is developing a mental health illness or in a mental health crisis. The feedback from this course was very positive and more training will take place in the next financial year.

## Disability Services

A reviewed Disability Action & Inclusion Plan was submitted with the Director General of the Disability Services Commission; updates were made to the Disability Access & Inclusion area of the Shire website.

## Events & Commemorations

In partnership with community groups and organisations, the Shire organised community commemorations and events including NAIDOC week, Australia Day, ANZAC Day, Remembrance Day, and Vietnam Veterans Day.

In 2015-16 more than 200 people attended the Shire of Exmouth annual Australia Day breakfast and family fun day at the Paltridge Memorial Swimming Pool. About 700 people attended the Anzac Day Dawn Service.

The Australian National Maritime Museum in partnership with the Shire and the Truscott Club presented the exhibition "War at Sea" during the month of June. This travelling graphic panel display showcased the Australian Navy during WWI.



## Festivals

Officers continue to be a member of the Whaleshark Festival Committee which was successful again this year.

The Shire's own contribution to the programme was called *Catch the Wind*, an awareness campaign regarding living in an area that is subject to strong winds and cyclonic events and how to stay safe on land and sea.

Event contributions included:

- Silent disco with Oreo pops and art stations, hosted by Youth Action Exmouth.
- Kite making workshop delivered by Kinetic Kites.
- Shire marquee with a BOM weather display, sea rescue and GWN 7 Shauna Willis providing information on Exmouth's wind and weather conditions.

Officers continue to represent Exmouth on the *Gascoyne in May* committee, to assist in the regional coordination and support for all Gascoyne festivals.

In September 2017 a major 50 Years Celebrations and Ningaloo Centre Opening event will be held, celebrating 50 years since Exmouth Town and the Naval Communication Station HEH were opened. Officers have prepared a prospectus for the Celebrations which includes and outline of the draft programme, preliminary costings and a project plan.

### Cruise Ship Berthing Facility

Officers assisted in the development of a prospectus regarding a Multi-Purpose Deep Water Wharf facility in the Exmouth Gulf with a view to enable future growth of the cruise shipping industry in Exmouth.

### Shade Structure Exmouth Playgroup

Officers have project managed the successful construction of a new permanent shade structure at the Exmouth Playgroup which replaced shade sails that were damaged in previous cyclones.

### Trails Masterplan

First meetings were held with local key stake holders like DPaW and Mountain Bike Riders to discuss the possible development of a Trails Master plan for Exmouth. Officers successfully applied for a grant with Lotterywest for this project.

### New Community Meeting Room

Officer created a new meeting room in the old Durack building behind and set up a hire system with the space being used on a regular basis by community groups and other organisations.

### Exmouth Men's Shed

Officers continued to support the Exmouth Men's Shed (Inc) with their governance development and finding a permanent facility to operate from. They will move into their new premises, the former Whaleshark Festival Shed, in the new financial year.

### Exmouth Public Art Strategy

Exmouth Public Art Strategy and associated policies has progressed through the consultation stages with the following draft documents developed and ready for finalisation and adoption next year:

- Draft Public Art Strategy;
- Public Art Policy;
- Percent for Art Policy.
- Percent for Art Guidelines.
- Collections Policy

## Ningaloo Centre

- Ongoing assistance was provided with the collection of items and images;
- Marquee at the Whaleshark Festival to present the Ningaloo Centre to the public
- Commenced development of brochures and new Ningaloo Centre website.
- Commenced development of a business plan, policies and procedures.



## Grants

Grant information continues to be distributed to Exmouth community groups & clubs as opportunities arise. In addition, the Community Engagement team provides letters of support on behalf of the Shire to assist groups and clubs with their grant applications. Grant advice was provided on request.

Some of the grants and sponsorships applied for by the Shire for community facilities and programs included:

- Woodside grant for \$4,500 for *Catch the Wind* program, to make kites and wind chimes and the purchase of a 12 meter long Whaleshark kite for the Whaleshark Festival - Successful.
- \$20,000 Country Arts WA application to support a regional Youth Music Festival – Unsuccessful.
- *National Youth Week Grants*: Officers applied for \$1,000 grant funding towards marketing a youth music festival – Successful.
- *Stronger Communities Programme*: Australian Government \$20,000 grant towards a new hard roof shade structure over Falls Street playground - Successful.
- Application for \$55,509 from Lotterywest for a new hardcover permanent shade structure at the Exmouth Playgroup premise. – Successful.
- Application for \$20,000 from Club Development Officer Scheme from Department of Sport and Recreation – Successful.
- *Woodside Partnership Grants*: a partnership proposal for Woodside regarding 4 different programme options, including support for volunteering in Exmouth – Pending.
- Application for \$45,000 from Lotterywest towards the development of a Trails Masterplan – Successful.
- Application for funding for Kennedy Street upgrades - Unsuccessful.
- Application for funding for Welcome to Ningaloo signage (\$50,000) – Successful.

## Awards

Officers have prepared and submitted Awards nominations on behalf of the Shire.

- Officers made 2 submissions under the 'Children's Environment and Health Local Government Report Card Project Showcase' being (1) 'Young People Making a Difference in Communities' – Youth Action Exmouth and (2) 'Stimulating Learning Environments' the Water Spray Ground. – Winner.
- Relay for Life received the Premier's Active Citizenship award in the Event Category.
- The *Tidy Town* submission for 2016 was finalised and sent off in April with projects highlighting the major community achievements over the past year. Exmouth received one nomination for the Golf course –waste water recycling irrigation works but did not win the *Environmental Sustainability* category.



## 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 which were published in Pilbara News, The West Australian and various websites, e-newsletters and social media as well as responding to media enquiries.

The Shire supported the Banners in the Terrace program and assisted with the development of the Perth Royal Show Gascoyne District Display.

## Tourism

Council continues to provide strong support for the Exmouth Visitor Centre and financially contributes to the operations of the Centre. An officer and a Council representative remain on the Visitor Centre Committee and actively support and develop the strategic direction of the Centre.

Officers continued to represent the Shire of Exmouth on the National Landscape Committee and the Board of Australia's Coral Coast.

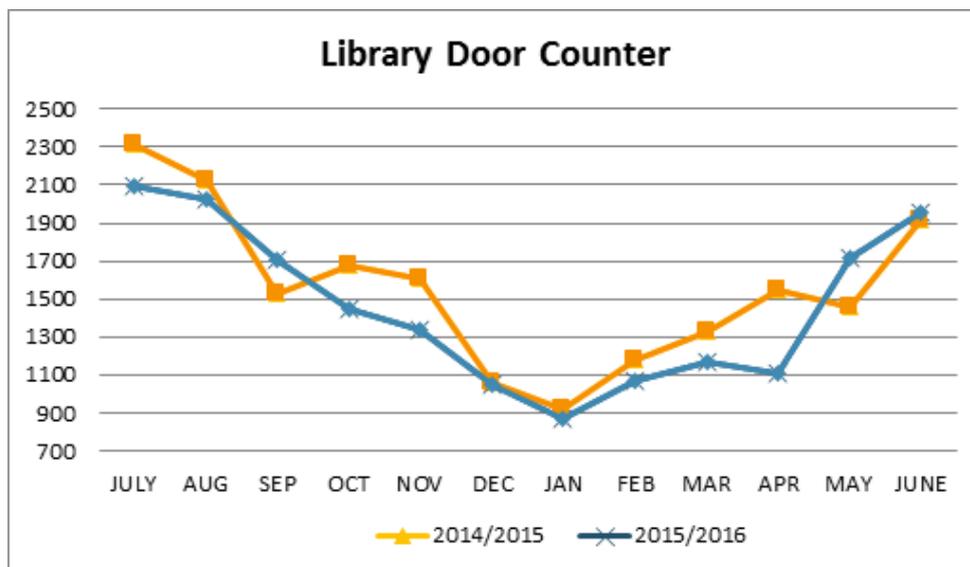
## Cruise Shipping

Officers developed Terms of Reference for the Exmouth Cruise Ship Committee and represent the Shire as secretary of the newly formed committee. The goals of the Committee are:

- To provide strategic direction in the development of Exmouth/Ningaloo as a desirable cruise destination; and
- To identify and develop programs and projects that improve the experience of cruise ship passengers and crew.

## Library Services

In the past 12 months, a total of 17,538 people have used the library and 13,245 items have been loaned; 1,348 of these items were borrowed by tourists.



The 'Free little library' (book exchange) remains popular with visitors being able to swap book for book. This collection also enhances the amount of books available to local people.

Story and Rhyme time remains popular with approximately 782 children attending the sessions throughout the year.

The Better Beginnings program has expanded this year with the introduction of 'Sing with Me', providing a free resource bag to all children turning two this year, these were distributed to the community via the library, Bernice McLeod Early Learning Centre and the Toy Library. Exmouth hospital's Child Health Nurse continues to distribute resource bags to the 0 to 3 year olds. EDHS's Kindergarten, Pre-primary children and teachers visited the library to enjoy a story and collect their BB resource bags and Haley's Holiday Fun Care made numerous visits to the library throughout the year sharing stories and craft.



Other activities like 'Teddy Bears Picnic Day' with 25 children attending, National Reading Hour, Children's Book week and Story Time were also very popular.

Special Book Displays work really well in getting people interested in trying to read 'Something New'.

### Looking forward

The new Public Arts Strategy and associated policies will be finalised.

# Health and Building



## **Rob Manning - Executive Manager Health and Building**

### **Health and Building Team**

Steve Foster	Building Surveyor
Carla Webster	Environmental Health Officer
Joshua Koontz	Swimming Pool Manager
Matilda Levy	Part Time Duty Manager
Sharon Mumby	Part Time Duty Manager
John Dudley	Casual Duty Manager (Reserve Pool)
Kelsie Foster	Lifeguard
Paris Menner	Lifeguard
Donna Koontz	Lifeguard (Reserve Pool)
Kevin Bayne	Water Sampling Officer
Anthony Cornwell	Landfill Site Supervisor
Francis Williams	Landfill Site Attendant

**Building Services**  
**Environmental Health Services**  
**Swimming Pool**  
**Waste Management and Recycling**

## Health & Building

The principal functions of the Council's Health & Building Services are to ensure new developments comply 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 falls under the Environmental Health division of the organisation as does the operations and management of the Qualing Scarp Waste Disposal Site and Shire coordinated recycling activities.

## Environmental Health

For the second consecutive year Council's Environmental Health Services operated with a full complement of staff. This enabled a high level of environmental health surveillance and guidance 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 as well as providing public health education and promotion via various forms of media including the Shire Newsletter, Shire Facebook page and Shire Website.

Environmental Health Services had a significant milestone in this period with the introduction of the new Public Health Act 2016. The Public Health Act 2016 will be implemented in a staged manner over the next 3-5 years. The first 6 months will see little change with business as usual as we continue to enforce the Health Act 1911.



In 2015/2016 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.

There has been a decrease from 2014/2015 (118 users) with 79 completing the training for 2015/2016. Overall since its introduction in November 2010, there has been a total of 805 users. A certificate is issued to those that participate in the training.

Environmental Health Officers continued to work with the State Government Population Health Unit to provide support and information to the community in relation to enteric disease and hand hygiene. This included a stall being set up in Ross Street Mall with an officer from the Population Health Unit to engage the community and promote healthy hand hygiene.



Below is a summary of the approval, surveillance and enforcement activities relating to food businesses:

<b>Annual Food Business Report Summary 15/16</b>	
Total number of food businesses	62
Total onsite assessments	86
Improvement Notices Served / complied with	4/4
Infringement Notices Served / Paid	2/2

The 62 food businesses above are inclusive of seasonal businesses such as Whaleshark tour operators and restaurants located outside the town site. Not included are temporary food businesses such as once-off and occasional food stalls/vendors, of which there were 27 in the 2015/16 year.

## Waste Management and Recycling

### Waste Management

Environmental Health Services have continued to invest many hours in educating tip staff of safe work practices, Department of Environment and Regulation (DER) compliance matters and interpretation/application of the adopted tip fees. Making improvements in safety at the Qualing Scarp Landfill Site for both operators and users has been a high priority this year. Various operational changes were made and new procedures introduced including updated information sheets on asbestos removal and disposal and accessing wrecked vehicles, procedures in relation to the disposal of wrecked vehicles, tip access routes and movement of plant and machinery.

The above guidance was necessary to ensure that tip staff more thoroughly implement the aims and objectives of the Qualing Scarp Waste Disposal Site Landfill Environmental Management Plan, the site is operated safely and efficiently and to ensure that the fees and charges adopted by the Council can be collected/charged as appropriate. The result has seen a significant improvement in environmental compliance, safer work practices and a 21% increase in revenue from the collection of tip fees compared to the 2014/2015 year. The above is following a 24% increase in revenue for the year before.

The staff are now competent using the electronic data recording system introduced in 2015. The system is accurately capturing data on quantities and types of waste entering the tip for future reporting requirements, reducing operator error in billing and saving time in invoicing account holders. There is now sufficient data in the system for staff to produce specific reports on waste streams and gain a clear understanding of what is entering the site and what the staff and plant costs are associated with dealing with that particular waste stream. This information is used to more accurately recommend tip fees for Council adoption with the future budgets.

The redevelopment of the liquid waste ponds was put on hold last year due to the quotations received far exceeding Council's budget for the project. The construction of new lined ponds is a directive by the DER in 2014. Environmental Health Services have been continuing consultation with the DER and Water Corporation (WC) regarding to possibility of some or all of the liquid waste being disposed of via their current and/or future WC Waste Water Treatment Plant (WWTP). WC have confirmed that they will design and include a receival pond system for the septage pump outs at the new WC WWTP. Negotiations are still underway regarding what needs to happen (if anything) between the present and the new WWTP being commissioned.

## [Recycling](#)

The mutually beneficial arrangement with the local animal rescue and rehabilitation group (CARE) continues to be a success with the aluminium can cages being regularly cleared and processed ready for freighting to Perth. NGT are back loading the processed can free of charge for the CARE Group with the funds providing the group with their major source of income to help finance the costs of feeding and caring for locally rescued wildlife.

Approximately 1.8 tonnes (t) of aluminium cans were collected and recycled during this period compared to approximately 1.5t last year.

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). Participation in the domestic battery recycling has declined again for the third year running with less than ½ of a 205L drum of domestic batteries collected this period.

Approximately 8.5t of automotive and marine batteries were removed from the Qualing Scarp Landfill site for recycling. In addition to the above, 1.0t of E-waste and 2.6t of non-ferrous metals were collected at the waste site and sent to Perth for recycling in this period.

This year saw a significant drop in the value of scrap metal as such the Shire was not able to attract the services of a scrap metal dealer for an affordable price. It is anticipated that the value will recover in 2016/2017 and the ever growing pile of metal and car bodies will be able to be cleared before the next cyclone season.

## Gascoyne Regional Group Waste and Recycling Infrastructure Project

It is proposed to establish a 'Bring Centre' on the corner of Huston & Pelias Street on a portion of the old power station site where residents and business people can drop off glass, plastics, paper and cardboard for recycling. The receptacles collecting the materials will then be transported out the Qualing Scarp Waste Disposal Site (the tip) where a shed will be constructed to house the recycling processing plant and equipment. The processing works will be carried out by tip staff.

Late in 2015 an industry expert (ASK Waste Management) was appointed to assist with the management and implementation of the project. The first task of this consultant was to crunch the numbers on what recycling activities relating to glass, plastics, paper and cardboard would cost the respective communities. Previous work had been done several years ago in this area, however the current markets are very different to that time as are the technologies available. As recycling in small and remote towns such as Exmouth does not come cheap, getting a current and reasonably accurate understanding of what that cost may be before proceeding with the project was considered of paramount importance.

Modelling by Ask Waste Management indicated that after taking into account the sale of baled materials, the cost per residential property of running such a facility would be between \$13 and \$19 depending on the amount of materials processed.

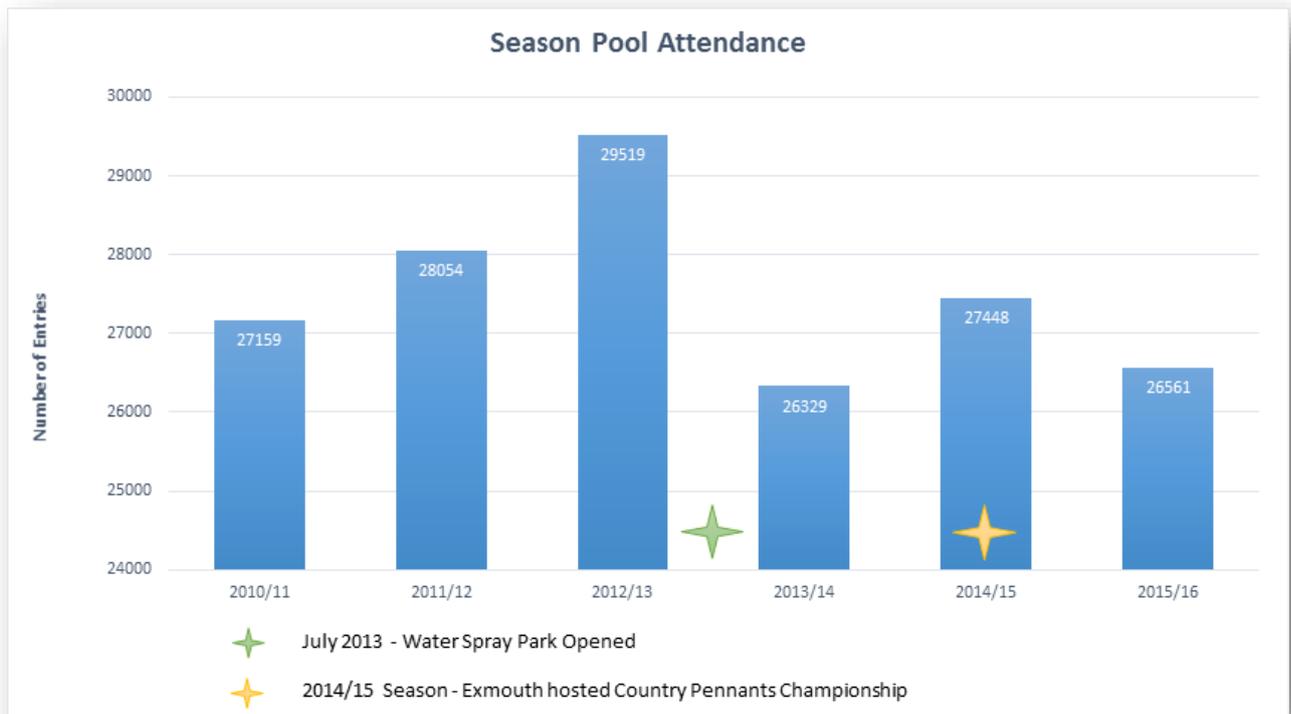
A 20 year financial plan for the programme was developed to ascertain what additional funds will need to be raised per annum to ensure the long term sustainability of the programme. It is estimated that the net operational cost of running the recycling programme for the full 2017 – 2018 financial year will be around \$15,000 (indexed with CPI for future years).

Before proceeding with the recycling project the Council called for submissions from the ratepayers and residents of Exmouth as to whether an annual charge of \$16 (and similar amount p.a.) being applied to the rates of developed properties to fund a recycling programme was acceptable to the ratepayers for this project to proceed.

A newsletter was issued calling for submissions with the decision of whether to proceed or not to be made by Council at the Ordinary Council Meeting of 29 September 2016.

## Paltridge Memorial Swimming Pool

The annual attendance figures (see below) for Paltridge Memorial Swimming Pool (the pool) have continued to bounce back since the opening of the Federation Park Water Spray Ground in July 2013 which resulted in a slight reduction in patronage.



The attendance figures for the pool were strong in comparison to recent years considering that the 2015/2016 summer was somewhat mild and the pool was closed for maintenance for two weeks in Oct/Nov 2015.

It should be noted that the figures for the above do not include the year-round 'out of hours' usage of the facility by the local dive companies for SCUBA instruction and Exmouth Amateur Swimming Club (EASC) training.

Some of the significant events that took place throughout the 2015/2016 pool season include the following:

- 15/16 Season Pool Open Day (7 September 2015)** – The day started at the usual opening time of 11am with lap swimming and free play from 11am to 2.30pm. Then when the kids finished school the action started with the Aqua Run and the PCYC bouncy castle. The whole day was free entry and was enjoyed by 164 people.
- Youth Quake** – 12 September 2015 Youth for Christ held 'Youth Quake' again in Exmouth at the pool. This a youth event for school years 7 to 12 consisting of a series of activity stations the kids go through offering plenty of excitement and action. 73 Kids had a great time at this event with 22 adults coordinating and supervising them.
- Youth Wipe Out Night** - 8 October 2015 a youth Wipe Out Night was held at the pool. 34 of the town's youth attended from year 7 and above having fun on an obstacle course consisting

of the Aqua Run, tyre inner tubes to climb through, ropes across the pool to slide along and an inflatable wheel to swim in to end the course.

- **Gascoyne Open Swimming Competition 2015** – 7 & 8 November 2015 the Exmouth Amateur Swimming Club hosted the Gascoyne Open Swimming competition. This is only the second year this competition has run with the inaugural comp held in Carnarvon in 2014 having 78 competitors. The numbers grew dramatically this year to 130 competitors from as far away as Broome to Geraldton. Carnarvon and Exmouth alternate the hosting of the Gascoyne Open.
- **Aqua Physiotherapy** - Aqua Physiotherapy returned to the pool on Thursdays 12am to 1pm. Aqua physiotherapy stopped running at the pool around 2 years ago with changes to the hospitals funding that resulted in it moving to the Ningaloo Caravan Park pool. The classes returned to the pool 12 November 2015. Anyone can attend the classes after receiving a referral from the hospital.
- **PCYC Pool Parties 1 & 2 - Exmouth** PCYC held pool parties on 11 December and 8 April 2016 from 6pm to 9pm. The parties was split into two groups to include all ages and worked really well. The Volunteer Fire Brigade ran a slip and slide on the grass, the Aqua Run was up and there were teenagers DJ'ing on the sound desk. In total 141 people attended Pool Party 1 and 239 Pool Party 2. The Shire waived the pool hire fees and extra Lifeguard fees for the PCYC for this evening to support a great Community Youth Event.
- **Australia Day** - The annual Australia Day Breakfast was a success again with 267 people coming through the gate that morning. The day featured a free bacon and egg breakfast, Aqua Run action, a bouncy castle and the big bombie competition.
- **Virtual Swim to Rottnest** - The annual 20km Virtual Swim to Rottnest was held again on 27 February 2016. This year was the biggest ever with a total of 54 swimmers divided into groups of 4 teams of 4. Through the event a total of \$1,323.15 was raised for the Royal Flying Doctor Service. All entry fees were waived for this day and a gold coin donation was requested for the RFDS. The total gate entries for the event including spectators was 120 people.
- **North West Pool Mangers Seminar** - The North West Pool Mangers Seminar was held in Exmouth Friday 20 May 2016. 40 delegates attended the Seminar included Pool Managers from all over the North West from as far south as Geraldton to Halls Creek in the north and Warburton



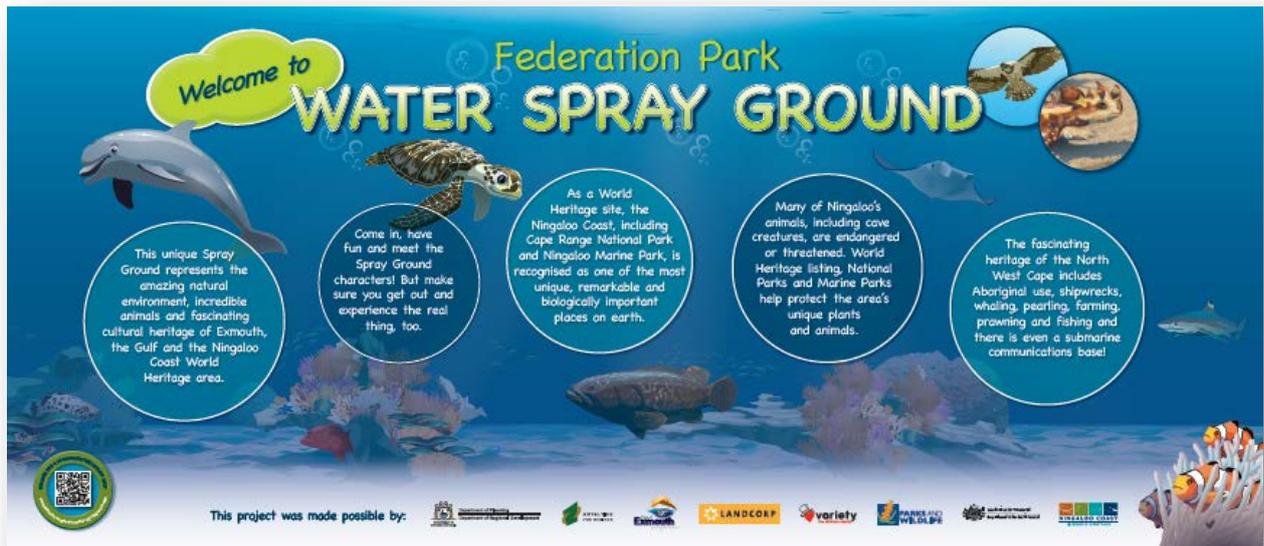
in the East as well as representatives from Royal Life Saving WA, LIWA Aquatics, AustSwim, Department of Health and a broad range of service suppliers for the Aquatic industry. This year marked the 20th Anniversary of the North West Pool Managers Seminar.

- **Dive In Movies** Due to attendance numbers falling for the Dive In Movies in recent years a different format for screening the movies was trialled. For the past 5 years the movies have run averaging one to two movies a month for the middle 5 months of the pool season. For 2015/16 one movie was screened each Thursday evening through January to reduce wage and screening costs and hopefully increase attendance numbers. The attendance numbers did increase from an average of 30 people to 45 people per screening.
- **Chlorine System Upgrade** - Using funding from the Community Pool Revitalisation grant the pools 50 year old Chlorine Gas dosing system was upgraded with an automatic shutdown system, automatic change over between cylinders, automatic self-test unit for the gas detection sensor and scales for the Chlorine cylinders. This has made the chlorine much more user friendly and safer.
- **Royal Life Saving Training** - A portion of the \$32,000 Community Pools Revitalisation Grant was set aside this year to offer free Bronze Medallion Training to the local Exmouth Community. We had a great response from the community for this training with 12 people completing the full Bronze Medallion course and 5 people requalifying existing Bronze qualifications. Seven people also completed an Aquatic Assessors course which establishes a strong base of trainers in Exmouth to run local courses. The Aquatic Assessor qualifications also enable other training opportunities as well such as Basic Resuscitation courses and Group 3 pools Aquatic Rescue courses.
- **EASC Winter Swimming** – EASC commenced a winter swimming training trial. 14 swimmers and 4 coaches participated in the programme which has been hailed by the club as an outstanding success. The Exmouth Paltridge Memorial Swimming Pool is apparently the only municipal pool currently offering such flexible arrangements as these sessions unsupervised by a Pool Manager. Many other regional aquatic centres are 'watching this space'.

## Federation Park Water Spray Ground

Stage one of the Federation Park Water Spray Ground Interpretive Project was completed in 2014/2015 and in May 2015 further grant funding was secured to implement stage two of the interpretation project. Completed early in 2016 this second stage brought about a major enhancement of the information accessed via the QR scanner code located on the 'Welcome Sign' at the Water Spray Ground.

The 'Welcome' sign (see below) features a QR scanner code that enables a direct link to an area of the Shire's website where more information and fun fact sheets can be found about the environmental and cultural heritage of the North West Cape and Ningaloo Marine Park.



Ten interactive fact sheets that represent key elements of the Federation Park Water Spray Ground and matters significant to the natural and cultural heritage of the area have been developed and can be accessed via the QR Code and/or the Shire's website:

<http://www.exmouth.wa.gov.au/water-sprayground.aspx>

The fact sheets include the following topics:- Ningaloo Coast World Heritage and the connection with the Shark Bay World Heritage area; Cultural & European History; Wildlife & Wildflowers; Whalesharks; Turtles; Dolphins; Things to Do; Ningaloo Reef and fossils; and Karst Creatures. They are interactive and include videos, audio, photographs and detailed imagery as well as traditional text delivered in an exciting and interesting format that entices people to experience the area and/or learn more about each subject. The importance about caring for the natural assets for future generations is a message also delivered by the fact sheets.

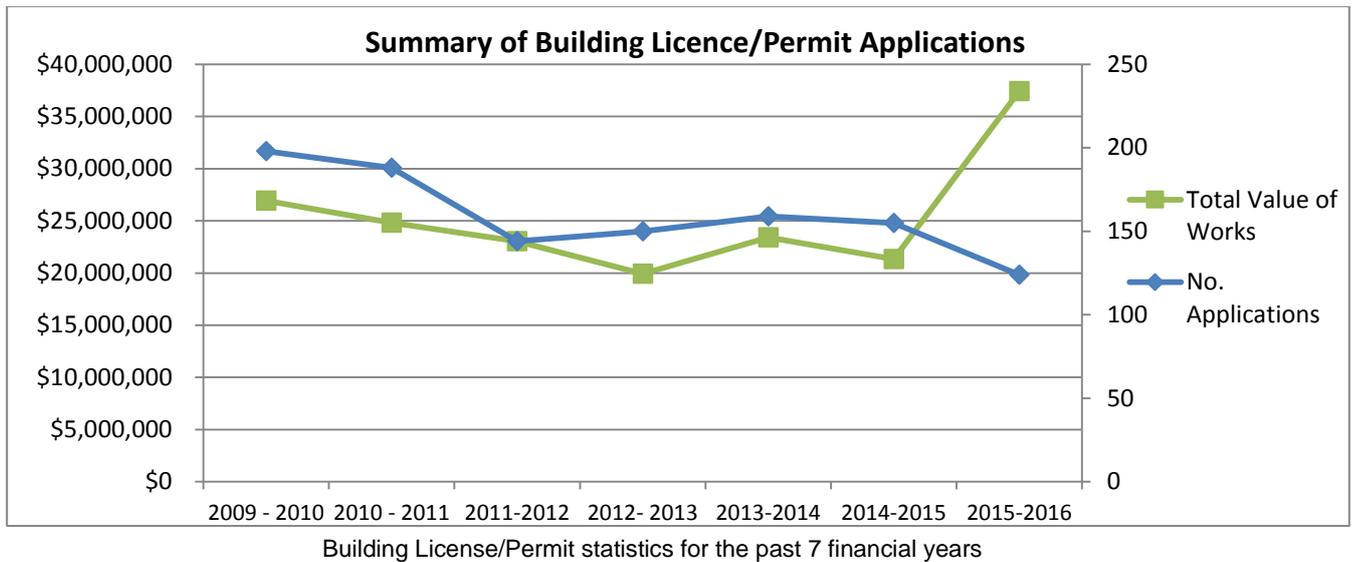
Similar to the stage one project, stage two was also a joint project with the Department for Parks and Wildlife in Exmouth.

## Building

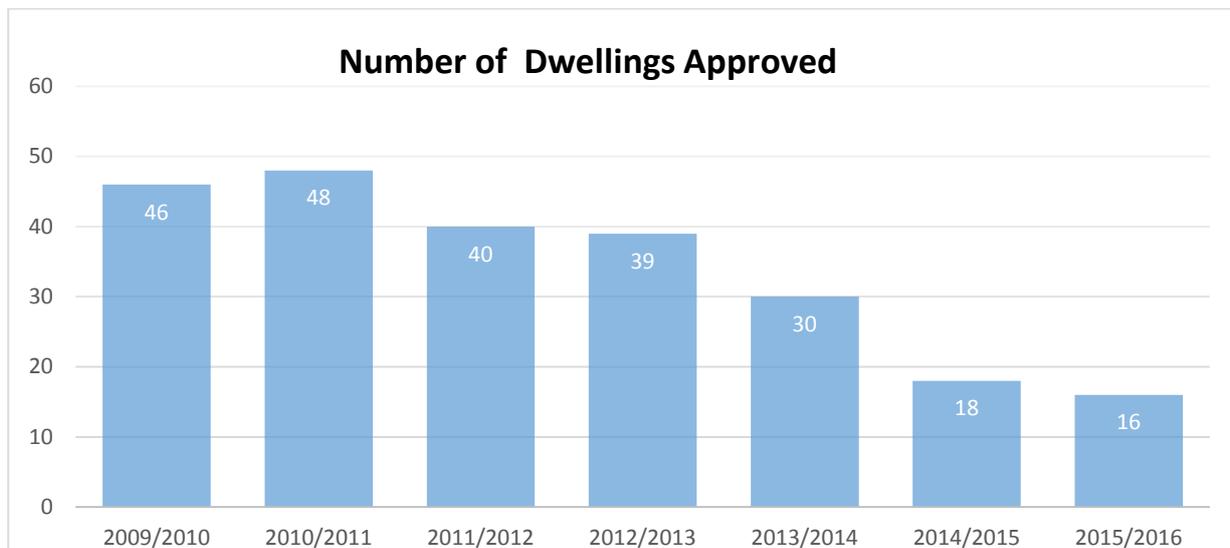
Over this period the Council's Building Department has continued to maintain an efficient turn-around time in processing the relatively high number of building permit applications. Minor works applications were generally approved in less than a week and more substantial proposals took between 1 to 3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

The following graph illustrates trends for the number of approved building licences/permits and the value of the related works over the last 7 financial years. The statistics demonstrate that the building industry in Exmouth has been reasonably stable over the past four years.

## Summary of Building Licence/Permit Applications July 2009 – June 2016



The number of dwellings approved over recent years is detailed in the graph below. Although the past two years were down slightly on previous years, the Shire of Exmouth is still averaging close to 35 dwellings per year from 2009/2010 to present.



The above represents a flattening out in the downturn of recent years. 2016/2017 and the coming years will see an upturn in the number of dwellings being approved with the implementation of the Lefroy Street Housing Project and the recent sale of lots in the new Heron Way Special Rural subdivision.

It should be noted that the above dwelling approvals only relate to dwellings approved for construction in Residential areas and not those approved in 'Tourism' zoned areas for short term accommodation.



# Town Planning



## **Rhassel Mhasho - Executive Manager Town Planning**

### **Town Planning Team**

Mark Johnston - Planning Officer

James Trimble - Planning Officer

Sandra Mhasho - Planning Assistant

David George - Compliance and Emergency Services Coordinator

Sharlene Williams - Ranger

Town Planning Services

Townscape

Reserves Management

Heritage

## Town Planning

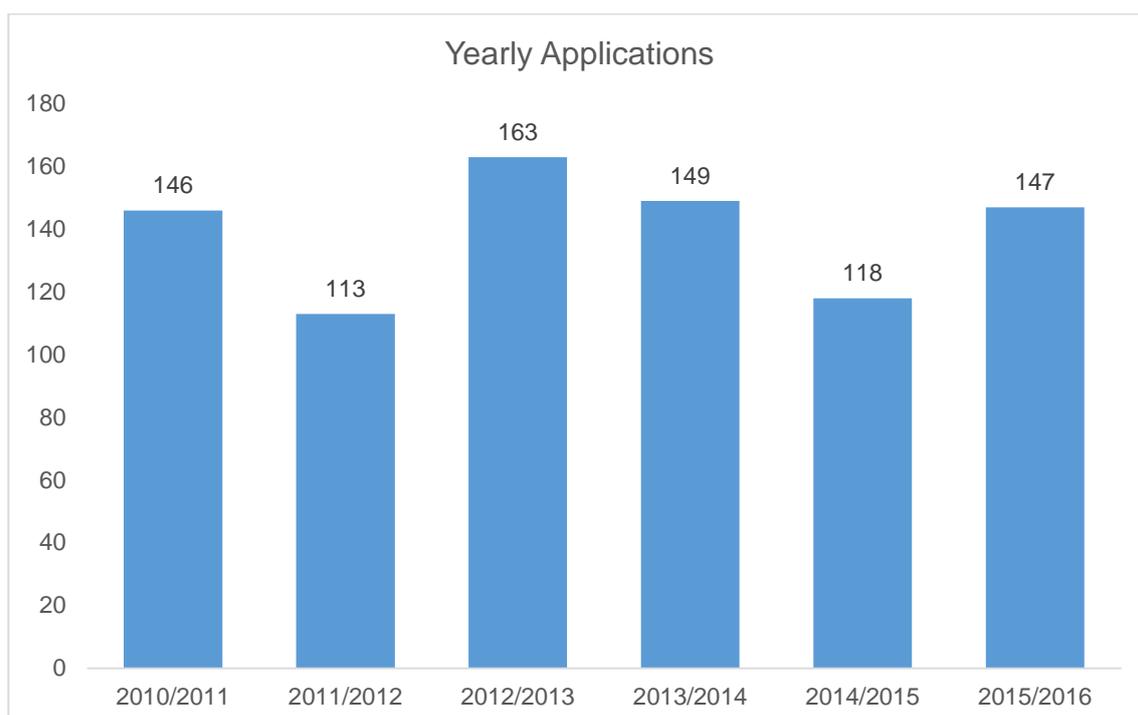
The Town Planning Department covers a wide range of functions related to Statutory Planning, Strategic Planning, Land Administration, Local Laws and Planning Policies. All activities are carried out in accordance with the relevant legislation including the *Planning and Development Act 2005*, *Planning and Development (Local Planning Schemes) Regulations 2015*, *Local Government Act 1995*, *Land Administration Act 1997*, Council's Local Planning Scheme and Council Policies. It has been another extremely busy year for the department, with the biggest achievement being advertising of the new Local Planning Strategy and Local Planning Scheme Number 4.

### Staff Updates

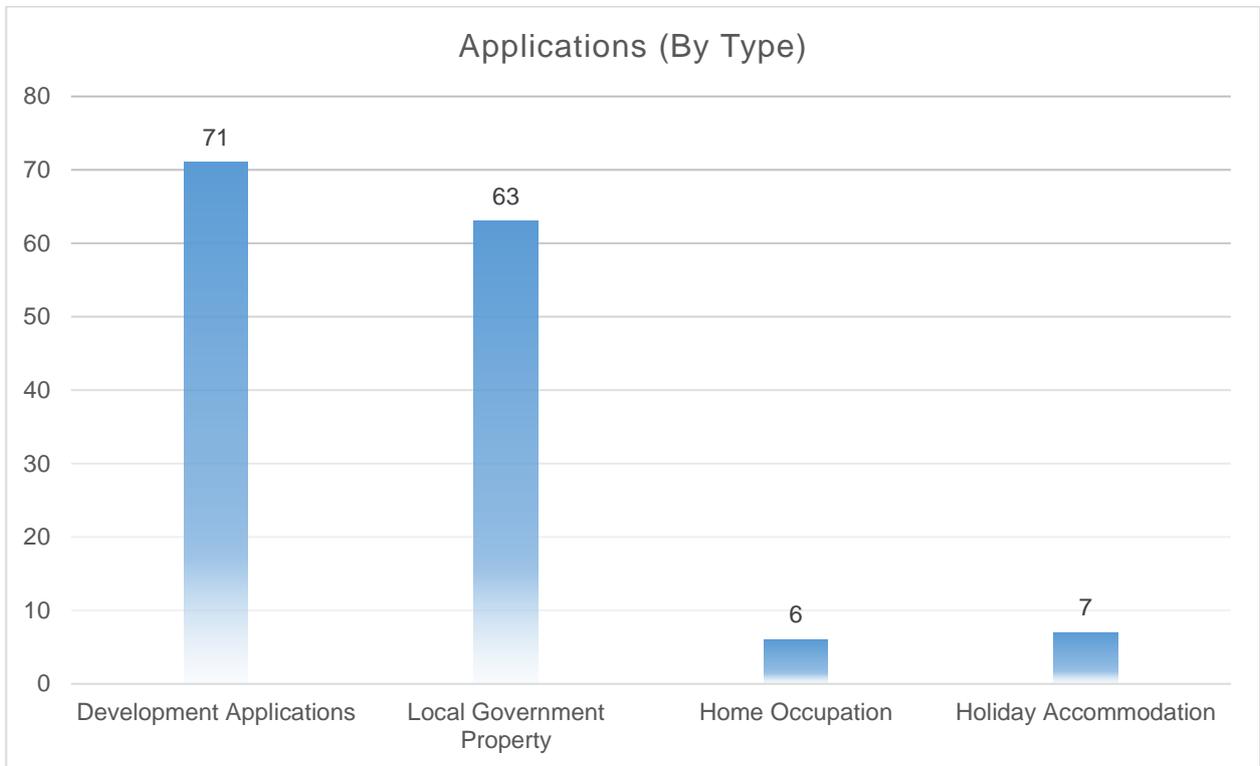
There was significant staff movement within the department with Mr James Trimble re-joining Council as a contracted Planning Officer to assist in the preparation of the new Local Planning Strategy and Local Planning Scheme Number 4. Mrs Sandra Mhasho has re-joined Council as a Planning Assistant following 12 months maternity leave. There was an organisational change which resulted in the Compliance and Emergency Services Coordinator and Ranger being removed from the Town Planning Department and assigned to Engineering Services.

### Statutory Planning

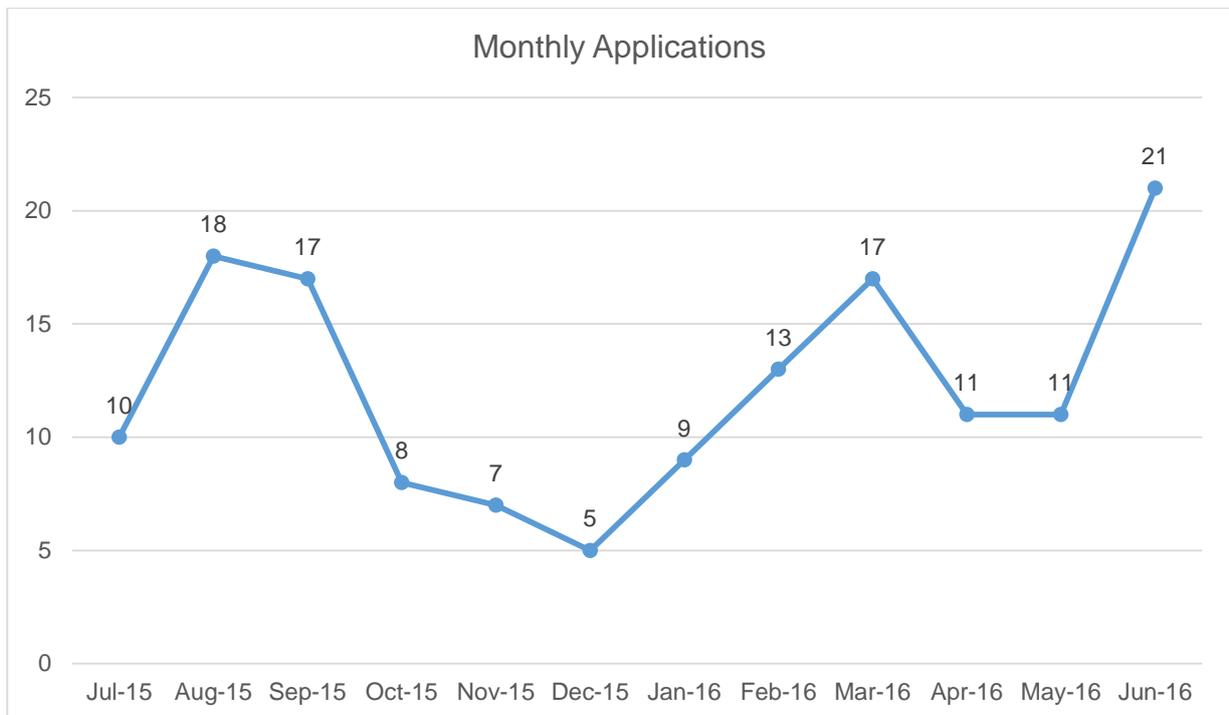
The Town Planning Department has assessed and determined a total of 147 applications. 84 of these applications were development (planning) applications, and the remaining 63 applications were Activity on Local Government Property Permits. There has been a 28% decrease in the number of development (planning) applications processed compared to the 2014/2015 financial year. The decrease in development (planning) applications can be attributed to the economic downturn currently occurring in Western Australia and the implementation of the *Planning and Development (Local Planning Schemes) Regulations 2015*, which exempts certain development which previously required development (planning) approval. The graph below shows a comparison of the yearly applications from 2010/2011 to 2015/2016.



The graph below shows the applications received and processed by type. There has been a significant increase in the number of Local Government Property Permits, being predominantly out of town traders who wish to trade in Exmouth during the peak tourism season. These applications were challenging, however they were managed taking into consideration the interests of local businesses and the community.



The graph below depicts the monthly breakdown of applications.



## Annual Permits

During the financial year a number of permits were renewed. The majority of permits expired on 30 September 2015. The table below shows the permits renewed during the financial year.

Permit Type	Number of Permits
Home Occupation	40
Mobile Traders/Shop Traders	11
Holiday Accommodation	71
Signage	10
Activity on a Thoroughfare	6

## Scheme Amendments- Amendment Number 31 to Town Planning Scheme No 3

At the 27 August 2015, Ordinary Council Meeting Council resolved to adopt Scheme Amendment Number 31. The amendment was forwarded to the Western Australian Planning Commission (WAPC) for their consideration. WAPC advised that the applicant will need to undertake a coastal processes study and delineation of the foreshore reserve to the satisfaction of the WAPC.

## Strategic Town Planning

### New Local Planning Strategy and Local Planning Scheme No 4

One of the biggest achievements for the Town Planning Department was the approval of consent to advertise Draft Local Planning Strategy Number 1 and Local Planning Scheme Number 4 from the Western Australian Planning Commission. Advertising of the documents commenced on Thursday, 2 June 2016 and concluded on Friday, 23 September 2016 being a period of 113 days. Consultation involved the following:

- A display of the Scheme and Strategy at the Shire Admin Offices, Shire Library and WAPC Admin Offices;
- A display of the Scheme and Strategy on the Shire website;
- A notice being published in the Pilbara News;
- A notice being sent to all relevant State Government agencies and to all persons on the Shire's rate book;
- Special electronic signature on relevant officers emails;
- Five (5) community consultation sessions; and
- A notice being sent to all person's land that is proposed to be rezoned in the new Scheme.



## Lefroy Street Housing Project



Officers have been working with the Department of Housing (DoH) on the low wage, low skilled, seasonal and permanent workers housing project. During the financial year the land tenure issues were resolved and the site works (including power, water, sewer, access roads, fencing and retaining walls) were completed. It is anticipated that the dwelling construction will commence in October/November 2016. The DoH intends to fund the project to a tune of \$8.5 million.

## Details of Future Land Release in Exmouth

The table below provides a summary future land to be released in the Shire.

Area	Number of Lots	Stage	Expected release	Size of Lots	Developer	Status
<b>Nimitz Street</b>	399 (with 39 lots released in stage 1)	Subdivision approved by WAPC	2017/18	640 - 750m <sup>2</sup>	LandCorp	On hold
<b>Preston Street</b>	11	Subdivision approved by WAPC	2015/16	1 ha	Shire of Exmouth	Currently on the market 9 lots left
<b>Learmonth Street</b>	24	Subdivision approved by WAPC	2017/18	500-900m <sup>2</sup>	LandCorp	On hold

## Land Administration

During the financial year officers have been working with the Department of Lands for:

- the disposal of portions of a reserve in the Marina to adjoining lot owners;
- the disposal of reserves in the Marina to the Department of Transport for expansion of the Boat Harbour;
- the Crown subdivision of the Exmouth Aerodrome;
- the creation of a site for a new caravan park off Truscott Crescent;
- reserve amendments to facilitate the creation of a site suitable for a supermarket in the town centre;

- a reserve amendment to facilitate the creation of a lot suitable for commercial development within the town centre;
- land swaps including RAC Caravan Park to facilitate a racecourse for the purpose of horse racing;
- boundary realignments to enable amendments to the Yacht Club lease area;
- leases for the Men's Shed, Community Gardens, and Go Kart Club, and
- a road closure of portion of Neale Cove.

Also finalised during the financial year was the sale of Lot 300 Heron Way to Council. Crown land management continues to consume a significant amount of Officers time since most land within the Shire is either Unclaimed Crown Land (UCL), reserved or pastoral, and there has been high demand from clubs and groups to utilise Crown land.

### Review of Local Planning Policies

Policy No. 6.12 – Holiday Accommodation was reviewed during the financial year. The review was in light of recent issues with the complaints procedure in regard to the operation of Holiday Accommodation within the Shire. The Policy was amended in line with the *Planning and Development (Local Planning Scheme) Regulations 2015* and was adopted by Council at the 27 January 2016 Ordinary Council Meeting.

### Future Activities

Next financial year the Town Planning Department will focus on the following major activities:

- Continue progressing the timely release of commercial land within the Town Centre, as identified by Council;
- Reviewing Local Laws; and
- The gazettal and signing off of the new Local Planning Strategy and Local Planning Scheme Number 4.

# Engineering Services



## Keith Woodward – Executive Manager Engineering Services

### Engineering Services Team

Joanne Gordon Works Coordinator  
Denise Bailey Works Administration

### Parks and Gardens

Ricki Melvin Leading Hand  
Tim Fisher Gardener  
Brett Smith Gardener  
Lisa Gordon Gardener  
Carol Bickford Gardener  
Katrina Stephens Gardener  
Brad Bell Irrigation

### Road Crew

Andrew Graham Leading Hand  
Craig Smith Plant Operator  
Phil McMullan Plant Operator  
Luke Meldrum Plant Operator  
Bruce Kidd Plant Operator

### Amenities

Tracey Featherstone Public Building Cleaner  
Brian Woods Amenities - Job Share  
Alex White Amenities - Job Share

### Waste Services

Jim Coles Refuse Truck Driver - Job Share  
Chris Norman Refuse Truck Driver - Job Share

### Ranger and Emergency Services

Mick Hall Ranger

### Buildings

Jeff Green Building Maintenance

### Mechanic and Workshop

Alan Winter Mechanic

*Transport-Roads, Footpaths  
Parks and Recreation Grounds  
Asset and Building  
Maintenance  
Infrastructure and Community  
Amenities  
Ranger and Emergency Services*

## 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, waterways 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 workshop, heavy and light fleet
- Works Depot
- Engineering workforce
- Bush Fire Brigade and associated equipment
- Civil Projects
- Ranger and Emergency Services

### Major Projects

#### Capital Projects and General Information

<b>Project 2015/2016</b>	<b>Budget</b>	<b>Status Complete</b>
Cyclone Olwyn WANDRRA Civil	\$4,524,068	100%
Cyclone Olwyn Buildings	\$700,229	100%
Tantabiddi Dredging	\$640,000	100%
Stage 2 Flood Mitigation LIA Floodway Reid Street	\$1,500,000	100%
Murat Road	\$945,435	100%
Yardie Creek Road	\$200,891	100%
Ningaloo Road	\$47,266	100%
Maidstone Crescent Island Landscape	\$69,866	100%
Bundegi Beach upgrade	\$10,000	100%
Recreation Precinct Fencing	\$45,000	100%

### Events

This report does not include comment regarding the typical day-to-day complexities associated with providing core maintenance and construction services on roads, waste collection, parks, coastal infrastructure, cleaning, building maintenance, plant equipment, workshop operations and Emergency and Ranger Services.

The impact of natural disasters in 2015/2016 cost \$5,224,297 and affected all operations within the Shire. The officer is of the opinion that the Shire recovered well from these events due the concerted effort and experience of the entire organisational workforce and the leadership teams. The ability of the Shire to provide continuous services whilst improving the asset for our community is a positive testimony to the strength of Council and staff.

### Severe Tropical Cyclone Olwyn – (Declared Natural Disaster)

On the 12<sup>th</sup> March, Severe Tropical Cyclone Olwyn passed over Exmouth with very destructive winds, heavy rain and dangerous storm surge. The destructive winds caused significant damage to Shire roads, drainage, buildings, landscaping and coastal infrastructure.

On Friday 13<sup>th</sup> March, the Engineering workforce was mobilised for the removal of any hazards associated with the impact of Cyclone Olwyn, joining the outdoor workforce was the Administration and Airport staff. The commitment and dedication that all staff demonstrated throughout the day was inspiring to witness. The efforts of staff concentrated on the central business district and surrounding parks and gardens, by the end of the day the area was open and ready for use. The weekend saw the Engineering crew out clearing up roads, footpaths and public open space that had fallen trees and branches limiting their safe use. On Monday the Administration staff were back into the thick of things in the great outdoors getting road reserves and gardens back to their 'Tidy Town' best.

The opening up works continued into the first week of April. Sections of Yardie Creek Road within Cape Range National Park were destroyed, covered in silt/debris and required reconstructed after the clean-up.

### Severe Tropical Cyclone Quang

The Shire had almost recovered from Severe Tropical Cyclone Olwyn when Tropical Cyclone Quang hit unexpectedly. Clean up was quick and effective as the work crews are experienced in responding to the cyclone and flood impacts. We are noticing that its taking longer for our street trees to bounce back after TC Quang but that is understandable after the battering they have received in the last few months.

### Tantabiddi Dredging Associated with the 26 April 2014 Surface Trough and Flooding

On 26 April 2014, a heavy rainfall event was caused by the passage of a surface trough over the west of the State. Anecdotal evidence suggests that as much as 400mm may have fallen in the Cape Range area to the West of Exmouth. Exmouth recorded 206mm in the 24-hour period to 9am on 27 April. The creek adjacent to the Tantabiddi boat ramp burst through the sand dune resulting in the undermining of the rock armour on the southern side of the ramp and the deposition of sand in front of and adjacent to the ramp. The dredging volume was 3,600 m<sup>3</sup>, which was dredged, pumped and deposited on the beach to the north of the Tantabiddi boat ramp assisting in the accretion of sand to the north.

The Hon. Dean Nalder, MLA Minister for Transport, Finance and the Department of Transport advised the Shire that the Tantabiddi dredging project could be managed through the Department of

Transport Recreational Boating Facility Scheme (RBFS) Round 19 with special ministerial approval to facilitate expedient approval.

The following project planning activities were completed:

- Pre: Hydrographical survey obtained
- Post: Hydrographical flood deposit survey completed
- RBFS Round 19 funding works submission submitted
- The formulation of the dredging Environmental Management Plans completed
- The Marines Parks and Reserves Authority application submitted
- Tender specification and tender documents formulated
- Project cost established

The dredging and southern revetment repair was completed in 2015.



### [LIA Reid Street Floodway Project](#)

The Exmouth town site and North West Cape are subject to cyclones, causing strong winds and storms, which result in inundation of the coastal zone. Flooding of the coastal plain also occurs as a result of the combination of rain, high tides and low lying landform. Flooding associated with run-off from the Cape Range and storm/cyclonic events is also an on-going concern with past occurrences causing damage to property, roads and the boat harbor.

The Shire of Exmouth in conjunction with the Department of Water completed the "*Exmouth Floodplain Management Study*" December 2007. The study proposed a floodplain development strategy for the Shire and assessed possible flood mitigation works. The study recommended both structural and non-structural flood mitigation measures, based on detailed hydrologic and hydraulic modeling. The flood study report has been endorsed by the Shire and the Department of Water.

The Shire submitted a business case report to the Department of Regional Development for the release of up to \$1.5 million from the Royalties for Regions Gascoyne Revitalisation Funds for Exmouth Flood Mitigation Works to complete Stage 2 of the Reid Street LIA Flood Mitigation Project. The Total Project Cost for Stage 2 works were estimated to be \$1.5 million. It is a high priority project for the Shire of Exmouth as reflected in the Shire's long-term planning, *Shire of Exmouth 10+ year Strategic Community Plan 2011* and the *Exmouth Townsite Structure Plan August 2011*.

The LIA Reid Street Flood Mitigation stage two project has been completed. The project was completed within the approved time frame and budget. The conditions and objectives established in the Business Plan and Financial Assistance Agreement have been achieved. The next flood mitigation project will be the Mortiss Street levee.



## [Main Roads Western Australia Roads 2025 Program](#)

Main Roads manages the State Government Roads 2025 program in conjunction with Local Government. These arrangements identify the Shire's priority roads and allocate road construction funding. The priority roads are Murat Road, Yardie Creek Road and Ningaloo Road.

### [Murat Road](#)

Murat Road is the only entrance road into the Exmouth town site. The road was originally designed and constructed in 1966. Murat Road is defined as a Regional Distributor, which services a significant tourist destination and the Exmouth community. Murat Road links the town site with the Naval Communication Base 'Harold E Holt'. The road extends north to Yardie Creek Road in close proximity to the coastline providing visitor access to the Ningaloo shore and reef and Cape Range National Park, which is encapsulated within the Ningaloo Coast World Heritage area.

The redesign/construct strategy will focus on upgrading the existing Type 4 Road to a Type 5 Road, building up the residual gravel pavement to full thickness, increase width, asphalt sealed, street lighting and landscaping. The benefits of this proposal are asset preservation, pedestrian and traffic safety taking into account increases in development and tourism.

## Yardie Creek Road

Yardie Creek Road (YCR) provides sealed access to the Ningaloo Coast World Heritage area, Ningaloo beaches, Ningaloo Reef and Cape Range National Park. Subject to Environmental conditions and Military training access south over Yardie Creek via YCR to Coral Bay through DEC, Shire, Defence and Station lands is achievable by 4wd.

The redesign/construct strategy focused on upgrading the existing Type 3 Road to a Type 5 Road building up the residual gravel pavement to full thickness, increase width and bitumen sealed. The benefits of this proposal are asset preservation, traffic safety taking into account increases in development and tourism.

## Ningaloo Road

The road provides visitor access to the Ningaloo shore and reef, which is encapsulated within the Ningaloo Coast World Heritage area. The road provides access to the Ningaloo Station Homestead, which has become a popular destination for tourists.

The development strategy is to maintain/construct Ningaloo Road to a Type 2 formed road. This standard will improve road safety.

## New Direction for Emergency and Ranger Services

2015/2016 has seen an organisational restructure of the Emergency and Ranger Services. Emergency and Ranger Services are now part of the Engineering Department and based at the Shire Works Depot.

New community education and awareness strategies have been implemented to improve the safety of our community. The most notable change for the community is the trial of a seven-day ranger service. Starting 26 March 2016, a Ranger has been on duty seven days a week (6am—3pm) and on the weekends, rangers can be contacted via shift mobile phone.

## Our Targeting Areas

### Parking on Footpaths

A major focus for rangers in Exmouth is improving community safety. Parking on footpaths is a big concern for rangers as it forces pedestrians and cyclists, including children, onto the road and into potential conflict with cars. Rangers have been targeting vehicles parked on the footpath.

### Uncontrolled Dogs

A pet peeve for many Exmouth residents and the Shire is the number of dogs roaming unattended and being walked without a leash. While the majority of dog owners are doing the right thing, there are still a number of people who continue to put public safety at risk by failing to keep their dog in a properly enclosed yard or on a leash. As a result, ranger services has been implementing a zero tolerance approach to wandering dogs in an attempt to change the behaviours of offending dog owners. All dogs found wandering without an owner have been impounded. Ranger Services then contacts the owner to advise that their dog has been impounded and that they have to pay the impounding fees before the dog is released.

# Statutory Reports



## 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](http://www.exmouth.wa.gov.au).

## Corporate Business Plan 2016-2020

Council adopted its Corporate Business Plan in June 2014 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 demonstrates better practice of recordkeeping and compliance. Our Plan was approved the State Records Commission on 5 December 2014 and the next review is due within five years, 5 December 2019.

## National Competition Policy Statement

The Competition Principles 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 2015/16.

### 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 below By-laws and Local Laws are currently under review and will be reformed as a result of any legislative review

- Activities on Thoroughfares and Trading in thoroughfares and Public Places Local Law.

### 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 2015/16 financial year, the Shire of Exmouth received 3 requests for information under the Freedom of Information Act 1992. These were 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 2016, the CEO had received 1 complaint.

### Disability Access and Inclusion Plan

Ongoing implementation of the Shire's Disability Access & Inclusion Plan (DAIP) took place during the year 2015-2016.

Shire's DAIP was reviewed last financial year to include Outcome 7- *"People with Disability have the same opportunities as other people to obtain and maintain employment with a public authority"*. Council endorsed this in 2015-2016.

Over the years, the Shire has continued to implement various initiatives and programs contained within the DAIP. 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 for 2015/16

1. *People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority:*
  - Encouraged all Shire sponsored or endorsed events to be accessible and inclusive and utilised/ promoted the Accessible Events Checklist

- Shire Event Package now includes the Accessible Events Checklist making it mandatory for groups/ individuals applying to run events in Exmouth.
  - Information was updated and provided on Shire Website regarding Access & Inclusion topics.
  - Continued monitoring of DAIP to ensure health and building guidelines are circulated to agents/ contractors on as needs basis.
2. *People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority:*
- Continued to include a section about advocacy, travel and support services available for people with Disability on Shire of Exmouth Website
  - Ensured new and existing building and engineering met guidelines.
3. *People with disability 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:*
- Provided information in various formats including hard copies and via email.
  - Continued to investigate other methods of communication that work better for people with disabilities and installed a new electronic information sign in the CBD which provides Shire and community information in an accessible format;
4. *People with disability 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 enquiries relating to access and inclusion were coordinated via the Executive Manager Community Engagement.
  - Awareness around access issues was promoted via various shire information sources when needed.
5. *People with disability have the same opportunities as other people to make complaints to a public authority:*
- Promoted a flexible grievance process and provide the opportunity for people to make complaints in writing, via website, telephone or in person.
6. *People with disability have the same opportunities as other people to participate in any public consultation by a public authority:*
- Encouraged the use of universal methods of consultation that meet the needs of people with disabilities;
  - Reviewed the implementation of the DAIP and a report was submitted in 2015-2016.
7. *People with disability have the same opportunity as other people to obtain and maintain employment with a public authority.*
- Ensured all Shire job interviews held in accessible locations;
  - Inclusion of equal opportunity statement in employment information packs

## 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 (\$)	2016	2015	2014	2013	2012
100,000 – 109,999	5	6	3		
110,000 – 119,999					2
120,000 – 129,999					
130,000 – 139,999	2	1	1		
140,000 – 149,999					
150,000 – 159,000	1	1	1	1	

# Annual Financial 2015/2016



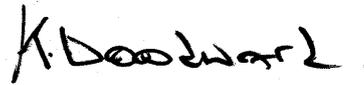
SHIRE OF EXMOUTH  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2016

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 2016 are in my opinion properly drawn up to present fairly the financial position of the Shire of Exmouth at 30th June 2016 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 6th day of December 2016.



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Keith Woodward  
Acting Chief Executive Officer

**SHIRE OF EXMOUTH**  
**Statement of Comprehensive Income**  
**By Nature or Type**  
for the Year Ended 30 June 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Revenue</b>				
Rates	23	3,181,902	3,196,067	3,109,269
Operating Grants, Subsidies & Contributions	30	1,614,829	2,202,788	3,910,225
Fees and Charges	29	6,053,774	5,726,643	6,657,561
Interest Earnings	2(a)	291,608	151,679	162,487
Other Revenue	2(a)	2,044,959	1,510,000	2,299,560
		<u>13,187,072</u>	<u>12,787,177</u>	<u>16,139,102</u>
<b>Expenses</b>				
Employee Costs		(5,353,874)	(5,932,391)	(5,944,284)
Materials and Contracts		(4,638,933)	(5,647,947)	(6,288,441)
Utility Charges		(646,375)	(738,987)	(685,194)
Depreciation on Non-current Assets	2(a)	(4,296,829)	(4,187,091)	(4,237,069)
Interest Expenses	2(a)	(72,721)	(65,649)	(70,322)
Insurance Expenses		(552,790)	(374,865)	(527,363)
Other Expenditure		(343,827)	(517,359)	(360,373)
		<u>(15,905,349)</u>	<u>(17,464,289)</u>	<u>(18,113,046)</u>
		<u>(2,718,277)</u>	<u>(4,677,112)</u>	<u>(1,973,944)</u>
Non Operating Grants, Subsidies & Contributions	30	21,923,373	19,976,084	1,779,556
Fair Value decrement to Fixed Assets		0	0	0
Profit on Asset Disposals	21	212,448	369,717	24,111
Loss on Asset Disposals	21	(416,133)	(56,455)	(987,232)
<b>NET RESULT</b>		<u>19,001,411</u>	<u>15,612,234</u>	<u>(1,157,509)</u>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	13	(288,323)	0	5,335,982
<b>Total Other Comprehensive Income</b>		<u>(288,323)</u>	<u>0</u>	<u>5,335,982</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>18,713,088</u></u>	<u><u>15,612,234</u></u>	<u><u>4,178,473</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 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Revenue</b>				
	2(a)			
General Purpose Funding		4,387,025	4,264,028	6,125,406
Governance		2,008	2,000	13,429
Law, Order, Public Safety		85,811	54,859	87,008
Health		37,401	35,500	47,963
Education and Welfare		30,010	31,943	46,283
Housing		124,646	146,284	254,852
Community Amenities		1,074,886	972,010	1,160,868
Recreation and Culture		724,778	1,078,381	239,252
Transport		6,347,045	5,878,714	7,649,173
Economic Services		255,043	261,508	270,467
Other Property and Services		118,421	61,950	244,401
		<u>13,187,074</u>	<u>12,787,177</u>	<u>16,139,102</u>
<b>Expenses</b>				
	2(a)			
General Purpose Funding		(75,732)	(667,849)	(56,915)
Governance		(659,301)	(62,554)	(663,654)
Law, Order, Public Safety		(432,236)	(526,362)	(517,983)
Health		(247,925)	(318,556)	(272,760)
Education and Welfare		(122,551)	(103,785)	(105,630)
Housing		(62,399)	(100,283)	(318,557)
Community Amenities		(1,749,996)	(2,002,558)	(1,921,464)
Recreation & Culture		(3,838,123)	(4,588,205)	(3,559,090)
Transport		(7,792,365)	(8,236,049)	(9,734,507)
Economic Services		(701,844)	(735,824)	(687,528)
Other Property and Services		(150,158)	(56,615)	(204,636)
		<u>(15,832,630)</u>	<u>(17,398,640)</u>	<u>(18,042,724)</u>
<b>Finance Costs</b>				
	2(a)			
Housing		(55,206)	(49,828)	(53,841)
Other Property & Services		(17,515)	(15,821)	(16,481)
		<u>(72,721)</u>	<u>(65,649)</u>	<u>(70,322)</u>
		<u>(2,718,277)</u>	<u>(4,677,112)</u>	<u>(1,973,944)</u>
Non operating grants, subsidies and contributions	30	21,923,373	19,976,084	1,779,556
Profit on disposal of assets	21	212,448	369,717	24,111
(Loss) on disposal of assets	21	(416,133)	(56,455)	(987,232)
Fair value adjustments to financial assets at fair value through profit or loss	7(b)	0	0	0
		<u>21,719,688</u>	<u>20,289,346</u>	<u>816,435</u>
<b>Net result</b>		<b>19,001,411</b>	<b>15,612,234</b>	<b>(1,157,509)</b>
<b>Other Comprehensive Income</b>				
<i>Items that will not be classified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	(288,323)	0	5,335,982
<b>Total other comprehensive income</b>		<b>(288,323)</b>	<b>0</b>	<b>5,335,982</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>18,713,088</u></b>	<b><u>15,612,234</u></b>	<b><u>4,178,473</u></b>

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

**SHIRE OF EXMOUTH**  
**Statement of Financial Position**  
As at 30 June 2016

	NOTE	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	16,687,571	5,840,362
Trade and Other Receivables	5	2,371,594	1,944,208
Inventories	6	1,221,362	1,209,774
<b>TOTAL CURRENT ASSETS</b>		<u>20,280,527</u>	<u>8,994,344</u>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	5	216,243	222,939
Property, Plant and Equipment	7	47,559,261	38,414,982
Infrastructure	8	42,131,123	41,574,589
<b>TOTAL NON-CURRENT ASSETS</b>		<u>89,906,627</u>	<u>80,212,510</u>
<b>TOTAL ASSETS</b>		<u>110,187,154</u>	<u>89,206,854</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	3,636,811	1,407,062
Current Portion of Long Term Borrowings	10	117,266	111,386
Provisions	11	1,059,749	878,905
<b>TOTAL CURRENT LIABILITIES</b>		<u>4,813,826</u>	<u>2,397,353</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	10	1,106,557	1,223,736
Provisions	11	181,947	214,030
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,288,504</u>	<u>1,437,766</u>
<b>TOTAL LIABILITIES</b>		<u>6,102,330</u>	<u>3,835,119</u>
<b>NET ASSETS</b>		<u>104,084,824</u>	<u>85,371,735</u>
<b>EQUITY</b>			
Retained Surplus		50,952,466	42,283,259
Reserves - Cash/Investment Backed	12	15,282,212	4,950,007
Revaluation Surplus	13	37,850,147	38,138,469
<b>TOTAL EQUITY</b>		<u>104,084,824</u>	<u>85,371,735</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 2016

	Note	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
<b>Balance as at 1 July 2014</b>		43,163,700	5,227,075	32,802,487	81,193,262
Comprehensive Income					
Net Result		(1,157,509)			(1,157,509)
Changes on Revaluation of Non Current Assets	13		0	5,335,982	5,335,982
Total Other Comprehensive Income		<u>(1,157,509)</u>	<u>0</u>	<u>5,335,982</u>	<u>4,178,473</u>
Transfer from/(to) Reserves		277,068	(277,068)	0	0
<b>Balance as at 30 June 2015</b>		<u>42,283,259</u>	<u>4,950,007</u>	<u>38,138,469</u>	<u>85,371,735</u>
Comprehensive Income					0
Net Result		19,001,411	0	0	19,001,411
Change on Revaluation of Non-Current Assets	13			(288,322)	(288,322)
Total Other Comprehensive Income		<u>19,001,411</u>	<u>0</u>	<u>(288,322)</u>	<u>18,713,089</u>
Transfer from/(to) Reserves		(10,332,204)	10,332,204	0	0
<b>Balance as at 30 June 2016</b>		<u>50,952,466</u>	<u>15,282,212</u>	<u>37,850,147</u>	<u>104,084,824</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 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		3,117,547	3,355,870	2,983,791
Operating Grants, Subsidies & Contributions		1,614,829	2,202,788	3,910,225
Fees and Charges		6,041,380	6,012,975	7,002,743
Interest Earnings		291,608	151,679	162,487
Goods and Services Tax		2,523,810	1,307,947	1,137,345
Other Revenue		2,044,959	1,510,000	2,299,560
		<u>15,634,133</u>	<u>14,541,259</u>	<u>17,496,151</u>
<b>Payments</b>				
Employee Costs		(5,205,113)	(6,450,834)	(5,823,821)
Materials and Contracts		(2,514,377)	(5,606,951)	(7,342,955)
Utility Charges		(777,567)	(790,716)	(701,297)
Insurance Expenses		(552,790)	(374,865)	(527,363)
Interest Expenses		(72,721)	(65,649)	(70,322)
Goods and Services Tax		(2,877,977)	(1,307,947)	(1,031,750)
Other Expenditure		(120,850)	(517,359)	(482,069)
		<u>(12,121,395)</u>	<u>(15,114,321)</u>	<u>(15,979,578)</u>
<b>Net Cash Provided By Operating Activities</b>	14(b)	<u>3,512,738</u>	<u>(573,062)</u>	<u>1,516,573</u>
<b>Cash Flows from Investing Activities</b>				
Payments for development of Land held for resale		(158,875)	(109,386)	(1,178,780)
Payments for Purchase of Property, Plant & Equipment		(11,447,859)	(19,879,412)	(1,918,186)
Payments for Construction of Infrastructure		(3,343,889)	(3,339,253)	(1,379,041)
Grants/Contributions for the Development of Assets		21,923,373	19,976,084	1,779,556
Proceeds from Sale of Plant & Equipment		462,795	793,171	741,817
<b>Net Cash Used in Investing Activities</b>		<u>7,435,545</u>	<u>(2,558,796)</u>	<u>(1,954,634)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(111,299)	(111,386)	(105,882)
Community Loan Advances		(40,000)	0	0
Proceeds from New Debentures		0	1,000,000	0
Proceeds from Community Loans		50,226	55,000	57,000
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>(101,073)</u>	<u>943,614</u>	<u>(48,882)</u>
<b>Net Increase (Decrease) in Cash Held</b>		10,847,210	(2,188,244)	(486,943)
Cash at Beginning of Year		5,840,362	5,842,091	6,327,306
<b>Cash and Cash Equivalents at the End of Year</b>	14(a)	<u>16,687,571</u>	<u>3,653,847</u>	<u>5,840,362</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 2016

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>Net current assets at start of financial year - surplus/(deficit)</b>		<u>1,403,494</u>	<u>1,432,879</u>	<u>752,520</u>
		1,403,494	1,432,879	752,520
<b>Revenue from operating activities (excluding rates)</b>				
General Purpose Funding		1,249,467	1,110,336	3,057,585
Governance		2,008	3,568	13,429
Law, Order, Public Safety		85,811	54,859	87,008
Health		37,401	35,500	47,963
Education and Welfare		30,010	31,943	46,283
Housing		124,646	146,284	277,164
Community Amenities		1,074,886	972,010	1,160,868
Recreation and Culture		724,778	1,078,381	239,252
Transport		6,407,461	5,899,031	7,650,972
Economic Services		263,225	261,508	270,467
Other Property and Services		262,271	409,782	244,399
		<u>10,261,964</u>	<u>10,003,202</u>	<u>13,095,392</u>
<b>Expenditure from operating activities</b>				
General Purpose Funding		(75,732)	(667,849)	(56,915)
Governance		(661,287)	(62,554)	(663,822)
Law, Order, Public Safety		(432,244)	(553,896)	(518,189)
Health		(247,925)	(318,556)	(272,760)
Education and Welfare		(214,927)	(103,785)	(105,630)
Housing		(123,569)	(150,111)	(1,295,930)
Community Amenities		(1,939,587)	(2,006,191)	(1,921,667)
Recreation & Culture		(3,934,627)	(4,588,205)	(3,584,540)
Transport		(7,819,777)	(8,261,337)	(9,742,101)
Economic Services		(704,135)	(735,824)	(690,607)
Other Property and Services		(167,673)	(72,436)	(248,117)
		<u>(16,321,484)</u>	<u>(17,520,744)</u>	<u>(19,100,279)</u>
<b>Operating activities excluded from budget</b>				
(Profit) on disposal of assets	21	(212,448)	(369,717)	(24,111)
Loss on disposal of assets	21	416,133	56,455	987,232
Movement in deferred pensioner rates (non-current)		(7,530)	0	(6,166)
Movement in employee benefit provisions (non-current)	11	148,761	0	120,463
Depreciation and amortisation on assets	2(a)	4,296,829	4,187,091	4,237,069
<b>Amount attributable to operating activities</b>		<u>(14,281)</u>	<u>(2,210,834)</u>	<u>62,120</u>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		21,923,373	19,976,084	1,779,556
Proceeds from Disposal of Assets	21	462,795	793,171	741,817
Purchase of land held for resale		(158,875)	(109,386)	(1,178,780)
Purchase of property, plant and equipment	7(b)	(11,447,859)	(19,879,412)	(1,903,753)
Purchase and construction of infrastructure	8(b)	(3,343,889)	(3,339,253)	(1,393,475)
<b>Amount attributable to investing activities</b>		<u>7,435,545</u>	<u>(2,558,796)</u>	<u>(1,954,635)</u>
<b>FINANCING ACTIVITIES</b>				
Repayment of debentures	22(a)	(111,299)	(111,386)	(105,882)
Proceeds from new debentures	22(b)	0	1,000,000	0
Proceeds from community groups	22(c)	50,226	55,000	57,000
Advances to community groups	22(c)	(40,000)	0	0
Transfers to reserves (restricted assets)	12	(11,495,924)	(1,215,947)	(1,327,552)
Transfers from reserves (restricted assets)	12	1,163,720	1,891,151	1,604,620
<b>Amount attributable to financing activities</b>		<u>(10,433,277)</u>	<u>1,618,818</u>	<u>228,186</u>
Surplus(deficiency) before general rates		(3,012,013)	(3,150,812)	(1,664,329)
Total amount raised from general rates	23	3,137,558	3,153,692	3,067,821
<b>Net current assets at 30 June c/fwd - surplus(deficit)</b>	24	<u><u>125,545</u></u>	<u><u>2,880</u></u>	<u><u>1,403,494</u></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 2016

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

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

Except for cash flow and rate setting information, the report has 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.

### International Financial Reporting Standards ("IFRSs") form the basis of Australian Accounting Standards

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.

### The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 20 to these financial statements.

### (b) Goods and Services Tax

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

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

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

### (c) 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (d) Trade and Other Receivables

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

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

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

### (e) Inventories

#### *General*

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

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

#### *Land Held for Resale*

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

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

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

### (f) Fixed Assets

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

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

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

During the year ended 30 June 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendment initially allowed for phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Council revalues its asset classes in accordance with this mandatory timetable.

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

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (f) Fixed Assets (continued)

#### *Land Under Control*

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

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

#### *Initial Recognition and Measurement between Mandatory Revaluation Dates*

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

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

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

#### *Revaluation*

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

#### *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 2016

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (f) Fixed Assets (continued)

#### *Depreciation*

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

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

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

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

Buildings	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.

#### *Capitalisation Thresholds*

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

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

#### *Fair Value Hierarchy*

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

##### **Level 1**

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

##### **Level 2**

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

##### **Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

#### *Valuation techniques*

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

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (g) Fair Value of Assets and Liabilities (continued)

#### **Market approach**

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

#### **Income approach**

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

#### **Cost approach**

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

### (h) Financial Instruments

#### ***Initial Recognition and Measurement***

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

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

#### ***Classification and Subsequent Measurement***

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

Amortised cost is calculated as:

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

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (h) Financial Instruments (continued)

#### *Classification and Subsequent Measurement (continued)*

The effective interest method used is to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably 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 are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

#### *(ii) Loans and receivables*

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

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

#### *(iii) Held-to-maturity investments*

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

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

#### *(iv) Available-for-sale financial assets*

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

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

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

#### *(v) Financial liabilities*

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

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (h) Financial Instruments (continued)

#### *Impairment*

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

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

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

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

#### *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.

### (i) Impairment of Assets

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.

### (j) 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.

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (k) Employee Benefits

#### Short-Term Employee Benefits

Provision is made for the Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

#### Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurement for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

### (l) Borrowing Costs

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

### (m) Provisions

Provisions are recognised when the 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.

### (n) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the 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 2016

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (n) 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.

### (o) Investments in Associates

An associate is an entity over which the Council has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the 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. In addition, the Council's share of the profit or loss of the associate is included in the Council's profit or loss.

The carrying amount of the investment includes where applicable, 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.

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

### (p) Interests in Joint Arrangements

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

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

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

### (q) Rates, Grants, Donations and Other Contributions

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

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

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

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (r) 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.

### (s) Current and Non-Current Classification

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

### (t) Rounding Off Figures

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

### (u) Comparative Figures

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

When 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.

### (v) Budget Comparative Figures

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

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

	Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(i)	AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the Standard will have any material effect.
(ii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend upon the nature of future transactions the Council has with those third parties it has dealings with. It may or may not be significant.</p>
(iii)	AASB 16 Leases	February 2016	1 January 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.</p> <p>Currently, operating lease payments are expenses as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by Council, the impact is not expected to be significant.</p>

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(iv)	AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations  [AASB 1 & AASB 11]	August 2014	1 January 2016	<p>This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i>, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p> <p>Since adoption of this Standard would impact only acquisitions of interest in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Council's financial statements.</p>
(v)	AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation  [AASB 116 & 138]	August 2014	1 January 2016	<p>This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.</p> <p>Given the Council currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.</p>
(vi)	AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(vii)	AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101  [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation.</p>
(viii)	AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities  [AASB 10, 124 & 1049]	March 2015	1 July 2016	<p>The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>The Standard is expected to have a significant disclosure impact on the financial report of the Council as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.</p>

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (x) 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 were compiled, became mandatory and which were applicable to its operations.

These new and revised standards were:

- (i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- (ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities

Interpretation 17 - Distributions of Non-Cash Assets to

Nil - None of these amendments will have any effect on the

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

## 2. REVENUES AND EXPENSES

2016  
\$

2015  
\$

### (a) Net Result

The Net Result includes:

#### (i) Charging as an expense:

##### **Auditors Remuneration**

- Audit of the Annual Financial Report	17,694	17,628
- Other services	0	0

##### **Depreciation**

Buildings - non specialised	727,031	752,155
Furniture and equipment	229,973	295,833
Plant and equipment	552,470	542,714
Infrastructure - roads	1,255,953	1,197,375
Infrastructure - footpaths	538,650	514,184
Infrastructure - other	992,752	934,808
	<u>4,296,829</u>	<u>4,237,069</u>

##### **Interest expenses (finance costs)**

Debentures (refer Note 23(a))	72,721	70,322
	<u>72,721</u>	<u>70,322</u>

#### (ii) Crediting as Revenue:

##### **Other revenue**

Reimbursements and recoveries	2,039,817	2,296,788
Other revenue	5,142	2,772
	<u>2,044,959</u>	<u>2,299,560</u>

2016  
\$

2016  
Budget  
\$

2015  
\$

##### **Interest earnings**

- Reserve funds	189,211	51,179	92,763
- Other funds	31,309	60,000	14,833
- Other interest revenue (refer note 27)	71,088	40,500	54,891
	<u>291,608</u>	<u>151,679</u>	<u>162,487</u>

##### **Grants & Subsidies**

Early receivable of Financial Assistance Grant from WA Grants Commission.	0	0	962,389
	<u>0</u>	<u>0</u>	<u>962,389</u>

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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## 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.

#### COMMUNITY 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.

Council will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life. Council's operations as disclosed in these financial statements encompass the following service orientated activities/programs.

#### GOVERNANCE

**Objective:**

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

**Activities:**

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

#### GENERAL PURPOSE FUNDING

**Objective:**

To collect revenue to allow for the provision of services

**Activities:**

Collection of rate revenue and the maintenance of valuation and rating records to support the collection process. General purpose government grants and interest revenue.

#### LAW, ORDER, PUBLIC SAFETY

**Objective:**

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

**Activities:**

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

**Objective:**

To provide an operational framework for environmental and community health

**Activities:**

Inspection of food outlets and their control, noise control, waste disposal compliance and pest control

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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## 2. REVENUES AND EXPENSES (Continued)

### (b) Statement of Objective (Continued)

#### EDUCATION AND WELFARE

**Objective:**

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

**Activities:**

Maintenance on playgroup centre and senior citizens centre. Administration and support for provision of Human Services agency

#### HOUSING

**Objective:**

To provide housing to staff members

**Activities:**

Administration and operation of residential housing for council staff

#### COMMUNITY AMENITIES

**Objective:**

To provide services required by the community.

**Activities:**

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

**Objective:**

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

**Activities:**

Maintenance of public halls, centres, swimming pool, beaches, recreation centre and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and radio re-broadcasting facilities

#### TRANSPORT

**Objective:**

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

**Activities:**

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc. Administration and operation of airport and aerodrome.

#### ECONOMIC SERVICES

**Objective:**

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

**Activities:**

Tourism and area promotion and building control.

#### OTHER PROPERTY & SERVICES

**Objective:**

To monitor and control Council's overheads operating accounts.

**Activities:**

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 2016

## 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) 1/7/14	2014/15	2014/15	Balance (1) 30/06/2015	2015/16	2015/16	Balance 30/06/2016
		\$	\$	\$	\$	\$	\$	\$
DEC - Bushfire Mitigation Fund	Law, Order, Public Safety	28,475	664		29,139	624		29,763
FESA Bushfire & SES	Law, Order, Public Safety	14,137	12,254	(14,137)	12,254	2,693		14,947
Woodside Living Smart Program	Health	5,409		(5,409)	0			0
Dept of Planning	Community Amenities	0	78,770		78,770	23,732		102,502
GLGF Waste & Recycling	Community Amenities	0	399,570		399,570			399,570
R4R Ningaloo Centre	Recreation & Culture	849,140		(849,140)	0	8,202,538		8,202,538
Dept Sport & Rec - Swimming Pool Equip	Recreation & Culture	0	16,412		16,412		(16,412)	0
Dept of Infrastructure - Hard Shade Structure	Recreation & Culture	0			0	18,182		18,182
GDC Public Art Strategy	Recreation & Culture	0	20,000		20,000		(1,613)	18,387
GDC Water Transport Facilities	Recreation & Culture	0	71,750		71,750		(71,750)	0
Tourism WA Grant - Sewerage Dump Point	Recreation & Culture	0	55,325		55,325		(55,325)	0
Marina Breakwater NavAid	Recreation & Culture	24,362	567		24,929	535		25,464
Youth Leadership Program	Recreation & Culture	10,500	118		10,618	228		10,846
Youth Program (YAE)	Recreation & Culture	510	562		1,072	24		1,096
BHP Youth Program	Recreation & Culture	0			0	1,885		1,885
RTR Grant	Transport	0	118,677		118,677		(118,677)	0
MRWA Yardie Creek Rd	Transport	115,241		(115,241)	0			0
MRWA Murat Rd	Transport	0			0	36,364		36,364
Dept Parks & Wildlife Charles Knife Rd	Transport	28,000		(28,000)	0			0
Chevron - Display Banners	Economic Services	5,207		(5,207)	0			0
Dept of Sustain - Interpretive Signage	Economic Services	9,092	102		9,194		(9,194)	0
Landscape Experience	Economic Services	15,000	168		15,168		(2,148)	13,020
<b>TOTAL</b>		<b>1,105,073</b>	<b>774,939</b>	<b>(1,017,134)</b>	<b>862,878</b>	<b>8,286,805</b>	<b>(275,119)</b>	<b>8,874,564</b>

#### 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 2016

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	Note	2016 \$	2015 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		1,405,359	890,355
Restricted - Reserves		<u>15,282,212</u>	<u>4,950,007</u>
		<u><u>16,687,571</u></u>	<u><u>5,840,362</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Community Interest Free Loans Reserve	12	322,238	266,301
Community Development Fund Reserve	12	2,717,187	895,900
Leave Reserve	12	450,122	342,772
Plant Reserve	12	292,827	286,679
Waste Management Reserve	12	265,499	152,858
Swimming Pool Reserve	12	425,811	416,871
Shire Staff Housing Reserve	12	8,225	8,052
Airport Reserve	12	1,204,251	1,288,047
Rehabilitation Reserve	12	189,645	174,474
Marina Village Asset Replace & Preservation Reserve	12	5,797	5,675
Building Infrastructure Preservation Reserve	12	299,072	77,111
Town Planning Scheme Reserve	12	20,396	19,968
Unspent Grants & Contributions Reserve	12	9,081,142	1,015,299
Carried Over Projects Reserve	12	0	0
		<u><u>15,282,212</u></u>	<u><u>4,950,007</u></u>

## 4. INVESTMENTS

The Shire of Exmouth had no non bank financial instruments during 2015/16. 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 2016

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	2016	2015
	\$	\$
<b>5. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates outstanding	427,631	370,806
Sundry debtors	1,388,966	1,376,572
GST receivable	495,997	141,830
Loans receivable - clubs/Institutions	59,000	55,000
	<u>2,371,594</u>	<u>1,944,208</u>
<b>Non-current</b>		
Rates outstanding - pensioners	37,719	30,189
Loans receivable - clubs/Institutions	178,524	192,750
	<u>216,243</u>	<u>222,939</u>
<b>6. INVENTORIES</b>		
<b>Current</b>		
Fuel and Materials	44,403	30,994
Land held for resale - cost		
Cost of acquisition	0	0
Development costs	1,176,959	1,178,780
	<u>1,221,362</u>	<u>1,209,774</u>

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

	2016 \$	2015 \$
<b>7. (a) PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Land and Buildings</b>		
Freehold Land at:		
- Independent Valuation 2016 - Level 2	7,000,000	0
- Management Valuation 2016 - Level 2	10,250	0
- Independent Valuation 2013 - Level 2	0	7,680,000
- Additions after valuation - Cost	0	1,121,150
	<u>7,010,250</u>	<u>8,801,150</u>
Non Specialised Buildings at:		
- Independent Valuation 2016 - Level 2	27,945,082	0
- Independent Valuation 2016 - Level 2	12,958,572	0
- Independent Valuation 2013 - Level 2	0	27,798,368
- Management Valuation 2013 - Level 2	0	631,425
- Additions after Valuation - Cost	0	2,354,383
	<u>40,903,654</u>	<u>30,784,176</u>
Sub Total	<u>47,913,904</u>	<u>39,585,326</u>
Less Accumulated Depreciation	(5,804,844)	(5,209,520)
<b>Total Land &amp; Buildings</b>	<u>42,109,061</u>	<u>34,375,807</u>
<b>Furniture and Equipment</b>		
- Independent Valuation 2016 - Level 2	2,921,842	0
- Management Valuation 2016 - Level 2	148,060	0
- Independent Valuation 2013 - Level 2	0	2,545,360
- Management Valuation 2013 - Level 2	0	320,840
- Additions after Valuation - Cost	0	66,382
Less Accumulated Depreciation	<u>(1,376,632)</u>	<u>(1,856,499)</u>
	<u>1,693,270</u>	<u>1,076,083</u>
<b>Plant and Equipment</b>		
- Independent Valuation 2016 - Level 2	6,313,522	0
- Management Valuation 2016 - Level 2	15,624	0
- Independent Valuation 2013 - Level 2	0	4,493,607
- Management Valuation 2013 - Level 2	0	30,481
- Additions after Valuation - Cost	0	1,139,444
Less Accumulated Depreciation	<u>(2,572,216)</u>	<u>(2,700,440)</u>
	<u>3,756,930</u>	<u>2,963,092</u>
	<u><b>47,559,261</b></u>	<u><b>38,414,982</b></u>

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

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

### 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

#### (b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (losses) / Reversals Through to Profit or Loss \$	Impairment (losses) / Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold	8,801,150	(125,000)		(1,660,000)	-			(5,900)	7,010,250
Buildings - non-specialised	25,574,657	10,802,019	(373,931)	(194,720)			(727,031)	17,817	35,098,811
<b>Total land and buildings</b>	<b>34,375,807</b>	<b>10,677,019</b>	<b>(373,931)</b>	<b>(1,854,720)</b>	<b>0</b>	<b>0</b>	<b>(727,031)</b>	<b>11,917</b>	<b>42,109,061</b>
Furniture and equipment	1,076,083	166,040	(10,734)	703,771			(229,973)	(11,917)	1,693,270
Plant and equipment	2,963,092	604,800	(121,118)	862,626			(552,470)		3,756,930
<b>Total property, plant and equipment</b>	<b>38,414,982</b>	<b>11,447,859</b>	<b>(505,783)</b>	<b>(288,323)</b>	<b>0</b>	<b>0</b>	<b>(1,509,474)</b>	<b>0</b>	<b>47,559,261</b>

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

### 7. PROPERTY, PLANT AND EQUIPMENT (continued)

#### (c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Valuation	Inputs used
<b>Land and Buildings</b>					
Land - freehold	2	Market approach using recent observable market data for similar properties / income approach using discounted cash flow methodology	Independent registered valuer	June 2016	Price per hectare / market borrowing rate
Buildings - non-specialised	2	Improvements to land valued using cost approach using depreciated replacement costs	Management valuation	June 2016	Improvements to land using construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs
<b>Furniture and equipment</b>					
- Independent Valuation 2016	2	Market or cost approach	Independent valuation	June 2016	Provides and indication of value by comparing the subject asset with identical or similar assets or using an economic principle approach
- Management valuation 2016	2	Cost approach using depreciated replacement cost	Management valuation	June 2016	Residual values and remaining useful life assessments
<b>Plant and equipment</b>					
- Independent Valuation 2016	2	Market or cost approach	Independent valuation	June 2016	Provides and indication of value by comparing the subject asset with identical or similar assets or using an economic principle approach
- Management valuation 2016	2	Cost approach using depreciated replacement cost	Management valuation	June 2016	Residual values and remaining useful life assessments

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

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

	2016 \$	2015 \$
<b>8. (a) INFRASTRUCTURE</b>		
Infrastructure - roads		
- Management Valuation 2015 - Level 3	24,079,375	24,079,375
- Additions after valuation - cost	2,696,110	0
Less accumulated depreciation	<u>(9,771,054)</u>	<u>(8,515,101)</u>
	17,004,431	15,564,274
Infrastructure - other		
- Management Valuation 2015	12,948,131	12,948,131
- Independent Valuation 2014	19,143,876	19,143,876
- Management Valuation 2014	6,388,810	6,388,810
- Additions after valuation - cost	847,922	200,143
Less Accumulated Depreciation	<u>(14,202,047)</u>	<u>(12,670,645)</u>
	25,126,692	26,010,315
	<u><b>42,131,123</b></u>	<u><b>41,574,589</b></u>

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

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

### 8. INFRASTRUCTURE (continued)

#### (b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (losses) / Reversals Through to Profit or Loss \$	Impairment (losses) / Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Infrastructure - roads	15,564,274	2,696,110					(1,255,953)		17,004,431
Infrastructure - other	26,010,315	647,779					(1,531,402)		25,126,692
Total infrastructure	<u>41,574,589</u>	<u>3,343,889</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,787,355)</u>	<u>0</u>	<u>42,131,123</u>

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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### 8. INFRASTRUCTURE (continued)

#### (c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Valuation	Inputs used
<b>Infrastructure - roads</b> - Management valuation 2015	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - other</b> - Independent valuation 2014	2	Market or cost approach	Independent valuation	June 2014	Provides an indication of value by comparing the subject asset with identical or similar assets or using an economic principle approach
- Management valuation 2014	3	Cost approach using depreciated replacement cost	Management valuation	June 2014	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

	2016 \$	2015 \$
<b>9. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	3,076,981	862,796
Accrued expenses	388,071	386,325
Tax payable	171,759	157,941
	<u>3,636,811</u>	<u>1,407,062</u>

<b>10. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by Floating Charge Debentures	<u>117,266</u>	<u>111,386</u>
	<u>117,266</u>	<u>111,386</u>
<b>Non-Current</b>		
Secured by Floating Charge Debentures	<u>1,106,557</u>	<u>1,223,736</u>
	<u>1,106,557</u>	<u>1,223,736</u>

Additional detail on borrowings is provided in Note 22.

	Provision for Annual Leave \$	Provision for Employee Gratuity \$	Provision for Long Service Leave \$	Total \$
<b>11. PROVISIONS</b>				
<b>Opening Balance as at 1 July 2015</b>				
Current provisions	521,828	152,102	204,975	878,905
Non-current provisions	0	0	214,030	214,030
	<u>521,828</u>	<u>152,102</u>	<u>419,005</u>	<u>1,092,935</u>
Additional Provisions	371,727	13,816	77,752	463,295
Amounts Used	(261,635)	(35,433)	(17,466)	(314,534)
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
<b>Balance at 30 June 2016</b>	<u>631,920</u>	<u>130,485</u>	<u>479,291</u>	<u>1,241,696</u>

<b>Comprises</b>				
Current provisions	631,920	130,485	297,344	1,059,749
Non-current provisions	0	0	181,947	181,947
	<u>631,920</u>	<u>130,485</u>	<u>479,291</u>	<u>1,241,696</u>

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

	2016 \$	2016 Budget \$	2015 \$
<b>12. RESERVES - CASH BACKED</b>			
<b>(a) Community Interest Free Loans Reserve</b>			
Opening Balance	266,301	263,149	203,868
Amount Set Aside / Transfer to Reserve	55,937	62,947	62,433
Amount Used / Transfer from Reserve	0	0	0
	<u>322,238</u>	<u>326,096</u>	<u>266,301</u>
<b>(b) Community Development Fund Reserve</b>			
Opening Balance	895,900	885,298	875,496
Amount Set Aside / Transfer to Reserve	1,821,287	1,112,847	20,404
Amount Used / Transfer from Reserve	0	(125,000)	0
	<u>2,717,187</u>	<u>1,873,145</u>	<u>895,900</u>
<b>(c) Leave Reserve</b>			
Opening Balance	342,772	338,715	564,966
Amount Set Aside / Transfer to Reserve	107,350	5,081	77,806
Amount Used / Transfer from Reserve	0	0	(300,000)
	<u>450,122</u>	<u>343,796</u>	<u>342,772</u>
<b>(d) Plant Reserve</b>			
Opening Balance	286,679	283,286	280,149
Amount Set Aside / Transfer to Reserve	6,148	3,614	6,530
Amount Used / Transfer from Reserve	0	(42,324)	0
	<u>292,827</u>	<u>244,576</u>	<u>286,679</u>
<b>(e) Waste Management Reserve</b>			
Opening Balance	152,858	151,049	149,377
Amount Set Aside / Transfer to Reserve	112,641	16	3,481
Amount Used / Transfer from Reserve	0	(150,000)	0
	<u>265,499</u>	<u>1,065</u>	<u>152,858</u>
<b>(f) Swimming Pool Reserve</b>			
Opening Balance	416,871	411,937	407,377
Amount Set Aside / Transfer to Reserve	8,940	6,179	9,494
Amount Used / Transfer from Reserve	0	0	0
	<u>425,811</u>	<u>418,116</u>	<u>416,871</u>
<b>(g) Shire Staff Housing Reserve</b>			
Opening Balance	8,052	7,957	7,869
Amount Set Aside / Transfer to Reserve	173	119	183
Amount Used / Transfer from Reserve	0	0	0
	<u>8,225</u>	<u>8,076</u>	<u>8,052</u>
<b>(h) Aviation Reserve</b>			
Opening Balance	1,288,047	1,282,058	1,396,393
Amount Set Aside / Transfer to Reserve	445,684	15,376	126,341
Amount Used / Transfer from Reserve	(529,480)	(798,559)	(234,687)
	<u>1,204,251</u>	<u>498,875</u>	<u>1,288,047</u>

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

	2016 \$	2016 Budget \$	2015 \$
<b>12. RESERVES - CASH BACKED</b>			
<b>(i) Rehabilitation Reserve</b>			
Opening Balance	174,474	172,409	160,254
Amount Set Aside / Transfer to Reserve	15,171	7,586	14,220
Amount Used / Transfer from Reserve	0	0	0
	<u>189,645</u>	<u>179,995</u>	<u>174,474</u>
<b>(j) Marina Village Asset Replace &amp; Preservation Reserve</b>			
Opening Balance	5,675	5,608	5,546
Amount Set Aside / Transfer to Reserve	122	84	129
Amount Used / Transfer from Reserve	0	0	0
	<u>5,797</u>	<u>5,692</u>	<u>5,675</u>
<b>(k) Building Infrastructure Preservation Reserve</b>			
Opening Balance	77,111	33,154	49,916
Amount Set Aside / Transfer to Reserve	224,356	497	77,111
Amount Used / Transfer from Reserve	(2,395)	0	(49,916)
	<u>299,072</u>	<u>33,651</u>	<u>77,111</u>
<b>(l) Town Planning Scheme Reserve</b>			
Opening Balance	19,968	19,731	19,512
Amount Set Aside / Transfer to Reserve	428	296	456
Amount Used / Transfer from Reserve	0	0	0
	<u>20,396</u>	<u>20,027</u>	<u>19,968</u>
<b>(m) * Unspent Grants &amp; Contributions Reserve</b>			
Opening Balance	1,015,299	1,014,646	1,105,073
Amount Set Aside / Transfer to Reserve	8,697,687	1,305	928,964
Amount Used / Transfer from Reserve	(631,845)	(775,268)	(1,018,738)
	<u>9,081,142</u>	<u>240,683</u>	<u>1,015,299</u>
<b>(n) **Carried Over Project Reserve</b>			
Opening Balance	0	0	1,279
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	(1,279)
	<u>0</u>	<u>0</u>	<u>0</u>

<b>SUMMARY</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Opening Balance	4,950,007	4,868,997	5,227,075
Amount Set Aside / Transfer to Reserve	11,495,924	1,215,947	1,327,552
Amount Used / Transfer from Reserve	(1,163,720)	(1,891,151)	(1,604,620)
<b>TOTAL CASH BACKED RESERVES</b>	<u>15,282,212</u>	<u>4,193,793</u>	<u>4,950,007</u>

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

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

	Balance 1 July 2015	Amount Trf to/from Reserve	Closing Balance 2016
	\$	\$	\$
<b>12. RESERVES - CASH BACKED</b>			
<i>* Summary of Unspent Grants &amp; Contributions Reserve</i>			
- Marina Breakwater/NavAid (07/08)	24,930	535	25,465
- Bushfire Mitigation Fund	29,139	624	29,763
- Dept of Sustain Interpretative Signage	9,194	(9,194)	0
- Youth Leadership	10,618	228	10,846
- Landscape Project	15,167	(2,148)	13,019
- Youth Program (YAE)	1,072	23	1,095
- FESA Bushfire & SES	12,254	2,693	14,947
- RTR Grant	118,677	(118,677)	0
- GDC Water Transport Facilities	71,750	(71,750)	0
- MRWA Murat Rd	0	36,364	36,364
- GDC Public Art Strategy	20,000	(1,613)	18,387
- Dept of Planning	78,770	23,732	102,502
- GLGF Waste & Recycling	399,570	0	399,570
- Cash Advance LGIS Insurance Claim	152,421	(152,421)	0
- Tourism WA Grant	55,325	(55,325)	0
- Dept Sport & Rec	16,412	(16,412)	0
- Dept of Infrastructure	0	18,182	18,182
- Insurance/WANDRRA Funds	0	206,578	206,578
- Ningaloo Centre Grants	0	8,202,538	8,202,538
- BHP Youth Programs	0	1,885	1,885
	<u>1,015,299</u>	<u>8,065,842</u>	<u>9,081,142</u>

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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### 12. 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

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

Aviation Reserve

- to be used to fund Aviation improvements

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

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 development, 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

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 2016

	2016 \$	2015 \$
<b>13. REVALUATION SURPLUS</b>		
Movement on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1		
<b>(a) Roads</b>		
Opening Balance	8,471,756	9,452,056
Revaluation Increment	0	0
Revaluation Decrement	0	(980,300)
	<u>8,471,756</u>	<u>8,471,756</u>
<b>(b) Land and Buildings</b>		
Opening Balance	22,611,050	22,611,050
Revaluation Increment	0	0
Revaluation Decrement	(1,854,720)	0
	<u>20,756,330</u>	<u>22,611,050</u>
<b>(c) Plant and Equipment</b>		
Opening Balance	231,857	231,857
Revaluation Increment	862,626	0
Revaluation Decrement	0	0
	<u>1,094,483</u>	<u>231,857</u>
<b>(d) Furniture &amp; Equipment</b>		
Opening Balance	507,525	507,525
Revaluation Increment	703,771	0
Revaluation Decrement	0	0
	<u>1,211,296</u>	<u>507,525</u>
<b>(e) Infrastructure Other</b>		
Opening Balance	6,316,282	0
Revaluation Increment	0	6,316,282
Revaluation Decrement	0	0
	<u>6,316,282</u>	<u>6,316,282</u>
<b>TOTAL ASSET REVALUATION SURPLUS</b>	<u><u>37,850,147</u></u>	<u><u>38,138,469</u></u>

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

### 14. 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:

	2016 \$	2016 Budget \$	2015 \$
Cash and Cash Equivalents	<u>16,687,571</u>	<u>3,653,847</u>	<u>5,840,362</u>

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

Net Result	19,001,411	15,612,234	(1,157,509)
Depreciation	4,296,829	4,187,091	4,237,069
(Profit)/Loss on Sale of Asset	203,685	(313,262)	963,121
(Increase)/Decrease in Receivables	(430,916)	446,136	325,299
(Increase)/Decrease in Inventories	(13,408)	1,860	24,669
Increase/(Decrease) in Payables	2,229,749	(418,661)	(1,216,983)
Increase/(Decrease) in Provisions	148,761	(112,375)	120,463
Grants/Contributions for the Development of Assets	(21,923,373)	(19,976,084)	(1,779,556)
<b>Net Cash from Operating Activities</b>	<u>3,512,738</u>	<u>(573,062)</u>	<u>1,516,573</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	40,000
Credit Card Balance at Balance Date	0	0
<b>Total Amount of Credit Unused</b>	<u>440,000</u>	<u>440,000</u>

##### Loan Facilities

Loan Facilities - Current	117,266	111,386
Loan Facilities - Non-Current	1,106,557	1,223,736
<b>Total Facilities in Use at Balance Date</b>	<u>1,223,823</u>	<u>1,335,122</u>
<b>Unused Loan Facilities at Balance Date</b>	<u>0</u>	<u>0</u>

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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### 15. CONTINGENT LIABILITIES/ASSETS

- (a) There were no known contingent liabilities as at 30 June 2016.
- (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.

### 16. CAPITAL AND LEASING COMMITMENTS

#### (a) Operating Lease Commitments

	2016	2015
	\$	\$
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
- not later than one year	187,164	72,544
- later than one year but not later than five years	711,993	240,092
- later than five years	0	0
	<u>899,157</u>	<u>312,636</u>

#### (b) Capital Expenditure Commitments

Contracted for:		
- capital expenditure projects	13,470,628	0
Payable:		
- not later than one year	<u>13,470,628</u>	<u>0</u>

The capital expenditure project outstanding at the end of the current reporting period represents the construction of the Ningaloo Centre.

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

	2016	2015
	\$	\$
<b>17. JOINT VENTURE</b>		
Council has no joint venture agreements as at 30 June 2016		
<b>18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</b>		
Governance	281,515	203,538
General Purpose Funding	0	0
Law, Order, Public Safety	1,892,218	1,966,296
Health	31,000	28,417
Education and Welfare	2,636,020	1,853,657
Housing	7,550,048	8,247,714
Community Amenities	9,035,145	8,490,515
Recreation and Culture	25,731,998	15,299,973
Transport	37,149,834	38,034,892
Economic Services	2,707,460	2,715,467
Other Property and Services	2,675,144	3,149,101
Unallocated	20,496,772	9,217,284
	<u>110,187,154</u>	<u>89,206,854</u>

	2016	2015	2014
<b>19. FINANCIAL RATIOS</b>			
Current Ratio	1.15	1.97	1.16
Asset Sustainability Ratio	0.63	0.45	1.61
Debt Service Cover Ratio	7.87	7.78	4.44
Operating Surplus Ratio	(0.25)	(0.16)	(0.19)
Own Source Revenue Coverage Ratio	0.72	0.64	0.73

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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### 19. FINANCIAL RATIOS (continued)

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 Supplementary Ratio Information on Page 66 of this document.

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

### 20. TRUST FUNDS

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

	Balance 1/7/15 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30/6/16 \$
Hall & Rec Centre Bonds	4,250	5,850		10,100
Olma Funding	2,423			2,423
Forum Travel Fund	2,990			2,990
NADC	11,335			11,335
Cyclone Baptist Needy Fund	2,800			2,800
Council Nomination Fees	0	480	(480)	0
Sundries	7,844	100	(100)	7,844
Building/Planning Bonds	73,400	500		73,900
Youth Affairs	1,401			1,401
APH Bonds	1,085		(1,085)	0
Jurabi Coastal Park	59,400			59,400
Unclaimed Monies	6,302	1,447		7,749
Sub Division Clearance Bond	5,000			5,000
Key Bonds	850	2,000	(2,200)	650
Bond Deed Exmouth Marina Holdings	45,804			45,804
Cash In Lieu POS	169,420			169,420
Ingleton St Res 29086 (20A/152)	205,249			205,249
BCITF Levy	12	24,592	(24,604)	0
BSL Levy	4	57,529	(57,533)	0
Staff Housing Bonds	200	2,650	(2,850)	0
Donations to Other Organisations	135			135
Exmouth Volunteer Fire & Rescue	0	50,000		50,000
	<u>599,904</u>	<u>145,148</u>	<u>(88,852)</u>	<u>656,200</u>

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

## 21. DISPOSALS OF ASSETS - 2015/16 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 \$
<b>Governance</b>						
(PE00202) 2012 Toyota Prado 3000EX	36,532	36,432	34,545	38,000	(1,987)	1,568
<b>Law, Order, Public Safety</b>						
Toyota Hilux 3009EX	0	26,641	0	9,225	0	(17,416)
(PE00057) 2011 Toyota Hilux 4WD EX7713	20,008	19,343	20,000	9,225	(8)	(10,118)
<b>Education &amp; Welfare</b>						
(LB00066) Senior Citizens Building	73,169	0	0	0	(73,169)	0
(FE00349) Shade Sail Playgroup	4,902	0	0	0	(4,902)	0
(LB00038) Centacare Counselling -Reroof	14,304	0	0	0	(14,304)	0
<b>Housing</b>						
(LB00024) 5 Gooley St Fence/Gate	5,964	0	0	0	(5,964)	0
<b>Community Amenities</b>						
(PE00055) 2011 Mitsub Challenger 3006EX	18,979	18,633	8,182	15,000	(10,797)	(3,633)
(LB00075) Toilet Block Shopping Centre	178,794	0	0	0	(178,794)	0
<b>Recreation &amp; Culture</b>						
(FE00079) Airconditioner Library	148	0	0	0	(148)	0
(FE00353) Swim Pool Shade Structure	5,698	0	0	0	(5,698)	0
(LB00030) Arboretum Tunnel House	42,726	0	0	0	(42,726)	0
(LB00061) Toilet Block - Dunes Beach	3,998	0	0	0	(3,998)	0
(FE00412) Fire Hose and Reel Point	2,824	0	0	0	(2,824)	0
(LB00043) Golf Club	22,916	0	0	0	(22,916)	0
(LB00078) Yacht Club	9,991	0	0	0	(9,991)	0
(LB00080) Youth Club 01	8,203	0	0	0	(8,203)	0
<b>Transport</b>						
(PE00108) 1989 Hino Fire Truck EX4594	23,207	22,240	4,545	4,545	(18,662)	(17,695)
(PE00183) 1993 Massey Tractor EX4673	0	0	955	955	955	955
(PE00222) 1990 Berends Slasher	0	1	228	228	228	227
(PE00223) 1990 Howard Slasher	0	1	228	228	228	227
(PE00160) Skid Steer Loader EX535	0	0	13,420	13,420	13,420	13,420
(PE00076) 2011 Toyota Hiace Bus 1DSH711	21,010	21,343	22,955	13,750	1,945	(7,593)
(PE00189) 1997 Mitsub Tip Truck EX4293	0	5,140	11,370	10,000	11,370	4,860
(PE00188) 2003 Mitsub Tipper Truck EX4476	1,369	9,372	33,640	10,000	32,271	628
(FE00413) Fire Hose and Reel Point	8,751	0	0	0	(8,751)	0
<b>Economic Services</b>						
(PE00030) 2009 Ford Ranger Ute EX8098	0	0	8,182	0	8,182	0
(LB00034) CALM Office New Roof	2,291	0	0	0	(2,291)	0
<b>Other Property &amp; Services</b>						
Land Held for Resale						
- Catalina Close	0	320,763	304,545	668,595	143,850	347,832
	505,784	479,909	462,795	793,171	(203,684)	313,262

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

## 21. DISPOSALS OF ASSETS - 2015/16 FINANCIAL YEAR (cont.)

The following assets were disposed of during the year.

By Class	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Land Held for Resale</b>						
- Catalina Close	0	320,763	304,545	668,595	143,850	347,832
<b>Land &amp; Buildings</b>						
(LB00024) 5 Gooley St Fence/Gate	5,964	0	0	0	(5,964)	0
(LB00030) Arboretum Tunnel House	42,726	0	0	0	(42,726)	0
(LB00066) Senior Citizens Building	73,169	0	0	0	(73,169)	0
(LB00034) CALM Office New Roof	2,291	0	0	0	(2,291)	0
(LB00038) Centacare Counselling -Reroof	14,304	0	0	0	(14,304)	0
(LB00061) Toilet Block - Dunes Beach	3,998	0	0	0	(3,998)	0
(FE00412) Fire Hose and Reel Point	2,824	0	0	0	(2,824)	0
(LB00043) Golf Club	22,916	0	0	0	(22,916)	0
(LB00075) Toilet Block Shopping Centre	178,794	0	0	0	(178,794)	0
(LB00078) Yacht Club	9,991	0	0	0	(9,991)	0
(FE00413) Fire Hose and Reel Point	8,751	0	0	0	(8,751)	0
(LB00080) Youth Club 01	8,203	0	0	0	(8,203)	0
<b>Furniture &amp; Equipment</b>						
(FE00079) Airconditioner Library	148	0	0	0	(148)	0
(FE00353) Swim Pool Shade Structure	5,698	0	0	0	(5,698)	0
(FE00349) Shade Sail Playgroup	4,902	0	0	0	(4,902)	0
<b>Plant &amp; Equipment</b>						
(PE00108) 1989 Hino Fire Truck EX4594	23,207	22,240	4,545	4,545	(18,662)	(17,695)
(PE00183) 1993 Massey Tractor EX4673	0	0	955	955	955	955
(PE00222) 1990 Berends Slasher	0	1	228	228	228	227
(PE00223) 1990 Howard Slasher	0	1	228	228	228	227
(PE00160) Skid Steer Loader EX535	0	0	13,420	13,420	13,420	13,420
Toyota Hilux 3009EX	0	26,641	0	9,225	0	(17,416)
(PE00057) 2011 Toyota Hilux 4WD EX7713	20,008	19,343	20,000	9,225	(8)	(10,118)
(PE00030) 2009 Ford Ranger Ute EX8098	0	0	8,182	0	8,182	0
(PE00055) 2011 Mitsub Challenger 3006EX	18,979	18,633	8,182	15,000	(10,797)	(3,633)
(PE00076) 2011 Toyota Hiace Bus 1DSH711	21,010	21,343	22,955	13,750	1,945	(7,593)
(PE00202) 2012 Toyota Prado 3000EX	36,532	36,432	34,545	38,000	(1,987)	1,568
(PE00189) 1997 Mitsub Tip Truck EX4293	0	5,140	11,370	10,000	11,370	4,860
(PE00188) 2003 Mitsub Tipper Truck EX4476	1,369	9,372	33,640	10,000	32,271	628
	505,784	479,909	462,795	793,171	(203,684)	313,262

### Summary

Profit on Asset Disposals

Loss on Asset Disposals

Actual	Budget
\$	\$
212,448	369,717
(416,133)	(56,455)
<u>(203,685)</u>	<u>313,262</u>

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

### 22. INFORMATION ON BORROWINGS

#### (a) Repayments - Debentures

Particulars	Principal 1-Jul-15 \$	New Loans \$	Principal Repayments		Principal Outstanding 30 June 2016		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Housing</b>								
Loan 77 - Skip Jack Circle Land	176,782		40,573	38,375	136,209	176,782	10,531	9,904
Loan 80 - Staff Dwellings	847,903		54,190	51,774	793,714	847,903	44,675	39,924
<b>Other Properties &amp; Services</b>								
Loan 76 - 1 Bennett St Exmouth	310,437		16,536	15,733	293,900	310,437	17,515	15,821
	1,335,122	-	111,299	105,882	1,223,823	1,335,122	72,721	65,649

All debenture repayments are financed by general purpose revenue

#### (b) New Debentures - 2015/16

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

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

### 22. INFORMATION ON BORROWINGS

#### (c) Self Supporting Loans - Interest Free

Particulars	Purpose of Loan	Amount Borrowed \$	Principal O/S 1-Jul-15 \$	New Loans \$	Principal Repayments		Principal Outstanding	
					Actual \$	Budget \$	Actual \$	Budget \$
<b>Recreation &amp; Culture</b>								
*Loan A011406 Bowling Club 2009	Installation of Air Conditioning	20,000	8,000		2,000	2,000	6,000	6,000
*Loan A017018 Squash Club 2010	Upgrade Toilet Facilities	25,000	11,000		2,500	2,500	8,500	8,500
*Loan A017003 Golf Club 2012	Storage Shed	30,000	25,000		5,000	5,000	20,000	20,000
*Loan A017019 Truscott Club 2012	Replace Cool Room Motors	20,000	5,000		-	5,000	5,000	-
*Loan A017020 Bowling Club 2012	Synthetic Greens	250,000	120,000		30,226	30,000	89,774	90,000
*Loan A017021 EGFC 2013	Gantry Upgrade	84,000	78,750		10,500	10,500	68,250	68,250
*Loan A017003 Golf club 2016	Reticulation of Fairways	40,000	-	40,000			40,000	-
		469,000	247,750	40,000	50,226	55,000	237,524	192,750

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

#### (d) Unspent Debentures

Particulars/Purpose	Dated Borrowed	Balance 1 July 2015 \$	Borrowed During Year \$	Expended During Year \$	Balance 30 June 2016 \$
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 2015 and 30 June 2016 was \$Nil.

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

## 23. RATING INFORMATION - 2015/16 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	TOTAL REVENUE \$	Budget Rate Revenue \$	Budget Interim Rates \$	Budget Total Revenue \$
<b>Differential General Rate</b>									
<b>Gross Rental Value (GRV)</b>									
Commercial-Industrial	0.0694	309	11,332,535	786,478	(902)	785,576	786,478	2,000	788,478
Commercial-Industrial Vacant Land	0.1008	48	1,029,250	103,748	621	104,369	103,748		103,748
Marina	0.0954	102	3,523,960	336,186	498	336,684	336,186		336,186
Marina Vacant Land	0.1082	24	608,480	65,838	13,200	79,038	65,838		65,838
Residential	0.0666	833	17,378,476	1,157,406	11,733	1,169,139	1,157,407	38,666	1,196,073
Residential Development	0.0585	1	19,500	1,141	0	1,141	1,141		1,141
Residential Develop Vacant Land	0.0580	0	0	0	(812)	(812)	0		0
Special Rural	0.0541	33	790,480	42,765	(1,010)	41,755	42,765		42,765
Special Rural Vacant Land	0.0650	14	340,000	22,100	240	22,340	22,100		22,100
									0
<b>Unimproved Value (UV)</b>									
Mining	0.1478	18	357,739	52,874	(9,906)	42,968	41,836	100	41,936
Rural	0.0739	7	479,680	35,448	473	35,921	35,448		35,448
<b>Sub-Totals</b>		1,389	35,860,100	2,603,984	14,135	2,618,119	2,592,947	40,766	2,633,713

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

## 23. RATING INFORMATION - 2015/16 FINANCIAL YEAR

RATE TYPE	Minimum Rates	Number of Properties	Rateable Value	Rate Revenue	Interim Rates	TOTAL REVENUE	Budget Rate Revenue	Budget Interim Rates	Budget Total Revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Minimum Payment</b>									
<b>Gross Rental Value (GRV)</b>									
Commercial-Industrial	710	41	260,800	29,110		29,110	29,110		29,110
Commercial-Industrial Vacant Land	710	38	141,000	26,980		26,980	26,980		26,980
Marina	1,459	1	0	1,459		1,459	1,459		1,459
Marina Vacant Land	1,459	275	2,034,250	401,225		401,225	401,225		401,225
Residential	710	68	435,090	48,280		48,280	48,280		48,280
Residential Development	710	0	0	0		0	0		0
Residential Develop Vacant Land	406	10	22,020	4,060		4,060	4,060		4,060
Special Rural	811	3	37,650	2,433		2,433	2,433		2,433
Special Rural Vacant Land	811	2	21,300	1,622		1,622	1,622		1,622
<b>Unimproved Value (UV)</b>									
Mining	270	13	10,266	3,510		3,510	4,050		4,050
Rural	760	1	5,800	760		760	760		760
<b>Sub-Totals</b>		452	2,968,176	519,439	0	519,439	519,979	0	519,979
		1,841	38,828,276	3,123,423	14,135	3,137,558	3,112,926	40,766	3,153,692
<b>Total amount raised from general rates</b>						3,137,558			3,153,692
Specified Area Rates (refer note 25)						44,344			42,375
<b>Total Rates</b>						<b>3,181,902</b>			<b>3,196,067</b>

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

### 24. NET CURRENT ASSETS

Composition of net current assets

	2016 (30 June 2016 Carried Forward) \$	2016 (1 July 2015 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
<b>Surplus/(Deficit)</b>			
1 July 2015 Brought Forward	<u>125,545</u>	<u>1,403,494</u>	<u>1,403,494</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	1,405,359	890,355	890,355
Restricted	15,282,212	4,950,007	4,950,007
Receivables			
Rates outstanding	427,631	370,806	370,806
Sundry debtors	1,388,966	1,316,514	1,316,514
GST Receivable	495,997	141,830	141,830
Loans receivable - clubs/institutions	59,000	55,000	55,000
Inventories - Fuel and Materials	44,403	30,993	30,993
Land held for resale - cost			
Cost of acquisition	0	0	0
Development costs	1,176,959	1,178,780	1,178,780
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry Creditors	(3,465,052)	(1,189,063)	(1,189,063)
ATO Liabilities	(171,759)	(157,941)	(157,941)
Current portion of long term borrowings			
Secured by floating charge	(117,266)	(111,386)	(111,386)
Provisions			
Provision of annual leave	(631,920)	(521,828)	(521,828)
Provision for gratuity payment	(130,485)	(204,975)	(204,975)
Provision for long service leave	(297,344)	(152,102)	(152,102)
<b>Unadjusted net current assets</b>	<u>15,466,701</u>	<u>6,596,990</u>	<u>6,596,990</u>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(15,282,212)	(4,950,007)	(4,950,007)
Less: Land held for resale - cost			
Cost of acquisition	0	0	0
Development costs	(1,176,959)	(1,178,780)	(1,178,780)
Less: Loans receivable - clubs/institutions	(59,000)	(55,000)	(55,000)
Add: Secured by floating charge	117,266	111,386	111,386
Add: Provisions	1,059,749	878,905	878,905
<b>Adjusted net current assets - surplus/(deficit)</b>	<u><u>125,545</u></u>	<u><u>1,403,494</u></u>	<u><u>1,403,494</u></u>

#### Difference:

There was no difference between the surplus/(deficit) 1 July 2015 brought forward position used in the 2016 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2015 audited financial report.

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

## 25. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR

	Rate in \$	Basis of Valuation	Rateable Value \$	Total Specified Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Marina Specified Area	1.30	GRV	3,096,770	44,344	42,375	44,344	42,375
				44,344	42,375	44,344	42,375

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 - 2015/16 FINANCIAL YEAR

Council did not charge a service charge in 2015/16.

## 27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2015/16 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Photocopy Charge Exmouth Christian Fellowship Carols Printing	Waiver	100.00%	1,625	0
			1,625	0

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

## 28. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Interest Charges \$	Instalment Charges \$	Budgeted Revenue \$
Interest on Unpaid Rates	11		56,731	0	25,000
Interest on Instalments Plan	5.5		13,692	0	15,500
Charges on Instalment Plan		13.00	0	14,586	15,366
			70,423	14,586	55,866

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

		Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option 1 (Full Payment)</b>				
Full amount of rates and charges including arrears to be paid on or before 8 September 2015.				11%
<b>Option 2 (4 Instalments)</b>				
First instalment	due 8 September 2015			11%
Second instalment	due 9 November 2015	13	5.5%	11%
Third instalment	due 11 January 2016	13	5.5%	11%
Fourth instalment	due 11 March 2016	13	5.5%	11%
<b>Option 3 (2 Instalments)</b>				
First instalment	due 8 September 2015			11%
Second instalment	due 9 November 2015	13	5.5%	11%

## 29. FEES & CHARGES

	2016 \$	2015 \$
General Purpose Funding	43,654	36,415
Law, Order, Public Safety	25,206	24,473
Health	37,401	47,019
Education & Welfare	28,818	11,277
Housing	111,162	250,667
Community Amenities	1,036,323	997,435
Recreation & Culture	97,025	100,437
Transport	4,398,380	4,773,021
Economic Services	254,252	257,380
Other Property & Services	21,553	159,436
	<u>6,053,774</u>	<u>6,657,561</u>

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

### 30. GRANT REVENUE

	2016 \$	2015 \$
Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:		
<b>By Nature or Type:</b>		
Operating Grants, Subsidies and Contributions	1,614,829	3,910,225
Non-Operating Grants, Subsidies and Contributions	21,923,373	1,779,556
	<u>23,538,202</u>	<u>5,689,781</u>

#### By Program:

General Purpose Funding	914,205	2,860,069
Governance	0	13,429
Law, Order, Public Sector	68,273	509,364
Health	0	944
Education & Welfare	70,135	35,006
Housing	0	5,685
Community Amenities	36,400	583,004
Recreation and Culture	19,680,575	192,956
Transport	2,728,917	1,295,371
Economic Services	20,862	109,001
Other Property & Services	18,835	84,952
	<u>23,538,202</u>	<u>5,689,781</u>

### 31. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>63.5</u>	<u>67.6</u>
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### 32. ELECTED MEMBERS REMUNERATION

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

	2016 \$	2016 Budget \$	2015 \$
President's Allowance	12,665	12,665	12,500
President's Meeting Fees	12,665	12,665	12,500
Deputy President's Allowance	3,166	3,166	3,125
Councillor Meeting Fees	35,246	38,000	31,644
Telecommunications Allowance	4,375	7,440	4,340
	<u>68,117</u>	<u>73,936</u>	<u>64,109</u>

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

### 33. MAJOR LAND TRANSACTIONS

Heron Way Subdivision

#### (a) Details

A Feasibility study was undertaken during 2013/14 to ascertain if land proposed for a possible sub-division in Heron Way Exmouth would be viable business activity for Council.

Based on the findings of the study, Council initiated acquisition of the land during 2014/15 for special rural residential sub-division comprising of 11 Lots of varying sizes. The development was funded from municipal funds.

	2016 \$	2016 Budget \$	2015 \$
<b>(b) Current Year Transactions</b>			
Operating Revenue			
Profit on Sale	143,850	347,832	0
Operating Expenditure			
Settlement Expenses	(7,056)	(13,000)	0
Marketing & Advertising	(1,858)	(5,000)	(1,581)
Valuation Expenses	(5,310)	0	(636)
Non Operating Revenue			
Sale Proceeds	0	668,595	0
Non Operating Expenditure			
Purchase of Land	(150,000)	(105,786)	0
Development Costs	(8,875)	(3,600)	(1,178,780)
	<u>(29,249)</u>	<u>889,041</u>	<u>(1,180,997)</u>

The above capital expenditure is included in land held for resale.

<b>(c) Expected Future Cash Flows</b>	<b>2017</b> \$	<b>2018</b> \$	<b>2019</b> \$	<b>2020</b> \$	<b>Total</b> \$
<b>(Cash Outflows)</b>					
Purchase of Land	(430,000)	0	0	0	(430,000)
<b>(Cash Inflows)</b>					
Sale Proceeds	886,364	590,909	1,477,273	295,455	3,250,001
<b>Net Cash Flows</b>	<u>456,364</u>	<u>590,909</u>	<u>1,477,273</u>	<u>295,455</u>	<u>2,820,001</u>

The net cash flows to 30 June 2016 in relation to this subdivision is an outflow (or cost) of \$29,249.

The net cash flows of the entire land transaction is expected to result in an inflow/income of \$1,400,845

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

### 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.

	2016	2016	2015
	\$	Budget \$	\$
<b>Operating Revenue</b>			
Fees & Charges	4,280,184	4,062,909	4,592,835
Grants, Subsidies & Contributions	0	17,000	0
Other Revenue	0	0	17,729
Profit on Asset Disposal	1,945	0	0
	<u>4,282,129</u>	<u>4,079,909</u>	<u>4,610,564</u>
<b>Operating Expenditure</b>			
Employee Costs	(1,963,288)	(2,200,791)	(2,150,088)
Materials & Contracts	(340,140)	(559,604)	(444,660)
Utilities	(127,854)	(168,390)	(159,113)
Insurance	(97,648)	(55,508)	(98,819)
Other Expenditure	(215,051)	(204,985)	(231,021)
Loss on Asset Disposal	0	(7,593)	(7,594)
Depreciation	(556,957)	(559,089)	(585,361)
	<u>(3,300,938)</u>	<u>(3,755,960)</u>	<u>(3,676,656)</u>
<b>Operating Surplus/(Deficit)</b>	<u>981,191</u>	<u>323,949</u>	<u>933,908</u>
<b>CAPITAL EXPENDITURE</b>			
Land & Buildings	(64,588)	0	(47,307)
Furniture and Equipment	(95,934)	0	(52,127)
Infrastructure Other	(33,195)	(32,000)	(20,480)
Plant and Equipment	(92,486)	(171,300)	(112,320)
Transfer to/from Reserve	(125,145)	91,624	22,762
	<u>(411,348)</u>	<u>(111,676)</u>	<u>(209,472)</u>
<b>TOTAL NET RESULT</b>	<u>569,843</u>	<u>212,273</u>	<u>724,436</u>

## SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

### 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	
	2016	2015	2016	2015
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	16,687,571	5,840,362	16,687,571	5,840,362
Receivables	2,587,837	2,167,147	2,587,837	2,167,147
Financial assets at fair value through profit or loss	0	0	0	0
Available for-sale financial assets	0	0	0	0
	<u>19,275,408</u>	<u>8,007,509</u>	<u>19,275,408</u>	<u>8,007,509</u>
<b>Financial Liabilities</b>				
Payables	3,636,811	1,407,062	3,636,811	1,407,062
Borrowings	1,223,823	1,335,122	1,223,823	1,335,122
	<u>4,860,634</u>	<u>2,742,184</u>	<u>4,860,634</u>	<u>2,742,184</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 2016

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## 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.

	2016 \$	2015 \$
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	1,892,110	927,630
- Statement of Comprehensive Income	313,090	148,330

#### Notes:

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

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

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## 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:

	2016	2015
Percentage of Rates and Annual Charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of Other Receivables		
- Current	42%	83%
- Overdue	58%	17%

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

## 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 \$
<b>2016</b>					
Payables	3,636,811	0	0	3,636,811	3,636,811
Borrowings	117,179	522,974	583,670	1,223,823	1,223,823
	<u>3,753,990</u>	<u>522,974</u>	<u>583,670</u>	<u>4,860,634</u>	<u>4,860,634</u>
<b>2015</b>					
Payables	1,407,062	0	0	1,407,062	1,407,062
Borrowings	111,386	545,814	677,922	1,335,122	1,335,122
	<u>1,518,448</u>	<u>545,814</u>	<u>677,922</u>	<u>2,742,184</u>	<u>2,742,184</u>

# SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report  
for the Year Ended 30 June 2016

## 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 %
<b>2016</b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures			(136,209)			(1,087,614)	(1,223,823)	4.91%
Weighted Average Effective Interest Rate			5.65%			4.81%		
<b>2015</b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures				(176,782)		(1,158,340)	(1,335,122)	4.92%
Weighted Average Effective Interest Rate				5.65%		4.81%		



# 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 2016. 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 2016 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 our audit we noted the following issues regarding the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996:

- a) We noted that the local government may not have invited tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was more than the consideration stated in Regulation 11(1) as prescribed under the *Local Government Act 1995* section 3.57 and (*Functions and General*) Regulation 11.

### **Statutory Compliance**

- a) Except for the issues identified in the above 'Other Matters' paragraph we did not during the course of the audit, become aware of any other instances 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 66 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 7<sup>th</sup> day of December 2016 in Perth, Western Australia

**BILLY-JOE THOMAS**  
Director

**ANDERSON MUNRO & WYLLIE**  
Chartered Accountants

# SHIRE OF EXMOUTH

Supplementary Ratio Information  
for the Year Ended 30 June 2016

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## 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.

	2016	2015	2014
Asset Consumption Ratio	0.73	0.72	0.71
Asset Renewal Funding Ratio	0.94	0.72	0.92

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