
2010/11

Shire of Exmouth Annual Report



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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 town, which is quite remote, 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 approximately 2,400, in the period April to October each year, the numbers swell to between 6,000 or even 8,000 as many tourists travel north for the beautiful climate and surroundings that we enjoy.

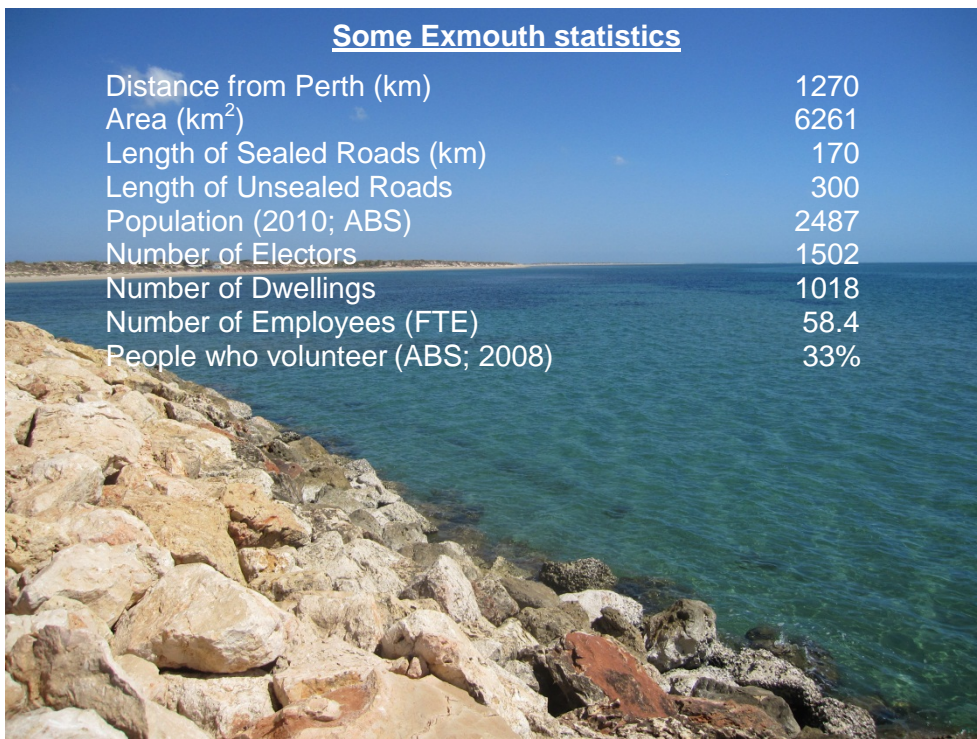
The main local industries are prawning, fishing, tourism, pastoral, aquaculture and the Harold E Holt Military Communications Base. Various mining companies have Floating Production Storage and Offtake (FPSO) facilities off the North West Cape and major employers in town are Boeing and the Department of Defence due to the presence of the Harold E Holt Naval Communications Base, the Department of Environment and Conservation due to the marine environment and Cape Range National Park, the Shire of Exmouth, Kailis Fisheries and Pearl Farm, Exmouth Hospital 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 and its spectacular gorges is an area of 50,581 hectares including the extensive coastal fringe on the west coast of the Cape.

The Ningaloo Marine Park abuts the Cape Range National Park and encompasses 300 kilometres of coastline. The reef contains a diverse range of species including more than 200 corals, 500 fish, and 600 different types of molluscs. Its closest point is only 100 metres from the beach, and it truly is a divers' and snorkelers' paradise. The beaches of our west coast also have the most pristine turquoise waters and are of pure white sand.

All of the above makes Exmouth a great place to live work and visit and we encourage everyone to visit our website at www.exmouth.wa.gov.au

<u>Some Exmouth statistics</u>	
Distance from Perth (km)	1270
Area (km ²)	6261
Length of Sealed Roads (km)	170
Length of Unsealed Roads	300
Population (2010; ABS)	2487
Number of Electors	1502
Number of Dwellings	1018
Number of Employees (FTE)	58.4
People who volunteer (ABS; 2008)	33%



The Shire of Exmouth in Focus

Shire Organisational and Management Structure

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

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

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



Cr V (Ronnie) Fleay
Shire President



Cr R (Bob) Todd
Deputy President



Cr S (Stuart)
Fitzgerald



Cr C (Turk)
Shales



Cr R (Ross)
Winzer



Cr J (Jeff)
Stewart



Cr K (Kim)
Hansman

The organisation employs 65 staff which equates to a 58.4 Full Time Equivalent, and is managed by:

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

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

Strategic Directions

Introduction

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

The Shire's Strategic Plan 2007-2012 and our new Strategic Community Plan which is currently being developed have a strong focus on our community. That is why Council encourages residents and stakeholders to actively participate in the future development of your community and town.

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

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

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

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

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





The Key Strategic Issues

Some of the key factors from the *Shire of Exmouth Strategic Plan 2007-2012* that require Council's attention are:

Sustainability

Driving Statement: To undertake those projects which will provide the greatest return to the community whilst recognising the limited resources available to the organisation

Sustainability is a critical issue for local government as a whole and is therefore a focus for the Shire of Exmouth. Decisions made by Council need to consider the implications for both current and future generations, to ensure the services and facilities provided to the community are maintained in good order and that future generations are not burdened as a result of the decisions of today, but instead benefit from any outcomes.

Governance

Driving Statement: Our commitment to honesty, integrity and accountability

A robust Governance structure is imperative, to ensure that appropriate decisions are made and that appropriate monitoring and reporting structures are in place. In addition to the statutory compliance obligations placed on local government, the Governance framework established also meets the standards set by Standards Australia (2003).

These Standards reflect the increasing requirements for accountability and transparency expected by the broader community from any organisation – whether private or public.

Communication

Driving Statement: To deliver ownership to our community

Community engagement is critical if the Shire of Exmouth is to be effective in building the capacity of our community. The strategic imperative for the Shire is to continue to build links and meaningful relationships with the local and wider communities.

Effective communication will encourage the sharing of knowledge and information and will lead to a better informed, stronger and more vibrant community.

Socioeconomic Development

Driving Statement: To improve our quality of life by encouraging growth and ensuring a progressive, enjoyable place to live and work

Exmouth has an enviable combination of warm weather, remote location, unique natural environment and relaxed, friendly lifestyle that attracts many visitors and an increasing level of new development.

It is essential that in considering any development, decisions made by Council support and retain our community values and spirit. As such, proposed new developments will be fully evaluated against economic and social implications.

Environment and Heritage

Driving Statement: To achieve balanced outcomes with respect to our environment and heritage, both natural and built

In valuing our environment and heritage we recognise the need to consider all our environments in the decision making process and to work with other agencies to achieve positive outcomes. Our ability to adapt and respond appropriately will be critical for our local, marine and global community.



Shire President's Report

I am very pleased to present the 2010/2011 Annual Report for the Shire of Exmouth.

The past year has seen exciting progress in Exmouth as many projects roll out. The planning for the revitalisation of the Town Centre and Foreshore have commenced; the Tantabiddi Boat Ramp rebuild is set to begin immediately following the 2011 tourist season; the redevelopment of the Exmouth District High School and the joint undercover hard courts at the school are well under way.

The proposed iconic Ningaloo Centre, which will house a Research Centre, Interactive Educational components & aquarium, a new Exmouth Visitor Centre, Library/Telecentre, conference space, art gallery, historical & cultural capture & display, cafe, indoor play area and much more, has a significant amount of funding secured through the Royalties for Regions Gascoyne Revitalisation Fund. The soon to be completed business case & detailed design will provide the tools to leverage further funding from the Commonwealth Government and Industry. It is expected that this project will be able to commence in 2012/13.

The amazing unique environment of the Ningaloo Reef has now achieved World Heritage status; a significant milestone for the Gascoyne Region with Shark Bay and Ningaloo World Heritage listed. This recognition will provide local business and tourism operators with an excellent marketing platform.

The Exmouth Streetscape program continues to be upgraded and with the funding received through Royalties for Regions Revitalisation fund, the next year will result in improved connectivity to Town Beach, the Marina precinct and town centre. There will also be improvements along the Foreshore, with proposed viewing platforms and walkways, exercise trails, public art and more. The Shire has also been working on renewable energy and improving recycling and waste management.

This year also saw the introduction of the first Regional Leadership WA program being run in the Gascoyne. Participants will gain many skills and insights through this program which will enrich our communities further as they develop their Leadership skills.

Council has continued to lobby for affordable housing and sustainable development for Exmouth and is working on a number of initiatives with key stakeholders, such as opportunities for further education & training, opportunities to tap in to the mining industry by flying employees out of Exmouth - coining the phrase 'fly out fly in' - encouraging new families to settle in Exmouth and fly out to the mine sites rather than FIFO which drains communities of their population base.

Council has continued to lobby and provide strong support to ensure the expansion of the Exmouth Harbour by the State Government is a high priority and urgently progresses. The Shire has also been lobbying Government to see an increased Defence presence in Exmouth. Given our historical links to Defence and the added benefits Defence families will bring to our town this initiative has been well supported by the community.

Council has continued to support our local Youth and community groups through various means. Our Community Engagement department have run school holiday programs, developed a Youth Council, worked with PCYC to name a few.

This year sees my retirement from Council in October along with Deputy President Bob Todd. I wish to sincerely thank Bob for his loyal support and passionate commitment to Exmouth. I also thank the Council, past and present, for their dedication and Leadership which has seen Exmouth slowly blossoming into a wonderful mix of unique, remote country life with a touch of city style.

CEO, Bill Price, and his professional Management team and staff have been a pleasure to work with. Bill has introduced some terrific new ideas, one being the Heads of Departments forum and Community Information Forum, which will take place at least bi-annually and have been both incredibly well attended and productive.

Finally, I wish the Council and Community of Exmouth a wonderful and sustainable future. I have thoroughly enjoyed my time in Exmouth and thank you for the privilege of being able to serve you on Council for the past eight years.



Cr Veronica Fleay
Shire President



Executive Services

Chief Executive Officer

Bill Price

Executive Services Team

Roge Kempe – Executive Manager Community Engagement

Rob Manning – Executive Manager Health & Building

Rhassel Mhasho – Executive Manager Town Planning

Sue O'Toole – Executive Manager Corporate Services

Keith Woodward – Executive Manager Engineering Services

Debbie Hastings / Jasmine Rohan – Executive Secretary

Anne Blythman - Projects Administration Officer

Strategic Planning

Governance

Policy

Organisational Development

Economic Development

Executive Services

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

The year under review certainly seemed to race by and has resulted in the completion of my first twelve months in the position. I have really enjoyed this period which has provided me with the necessary history and background knowledge of Exmouth as well as enabled me to establish a network both within the community and externally to assist the Council in their future activities.

The Council, I believe was again extremely pro-active during the 2010/11 financial year, undertaking a large cross-section of activities for the future sustainability and wider benefit of the Exmouth community.

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

Strategic Community Planning Process

The current Strategic Plan for the Shire of Exmouth expires in 2012. The Structural Reform process implemented by the WA State Government has required Local Governments to develop a more multifaceted and complex '*Integrated Planning Process*' which includes the requirement for a Strategic Community Plan.

The Council initiated the community engagement process during the year with the final adoption of the Plan being considered in the 2011/12 financial year. The Strategic Community Plan outlines the long term vision, values, aspirations and objectives of the Exmouth Community.

Next year a Corporate Business Plan will be developed, aligning to the Strategic Community Plan. This will be a working document for Council to use to ensure that the priorities respond to the aspiration of the Strategic Community Plan and that resources are allocated to these.

Royalties 4 Regions Revitalisation Projects

A major focus for the year was the securing of funds from the Gascoyne R4R Revitalisation Program and the extensive planning processes for the projects identified under the scheme. Exmouth have been fortunate to secure approximately \$ 48m of the \$ 150m allocated to the scheme which will be invested in significant projects that will have a long term benefit to the Exmouth community.

The projects identified include the Tantabiddi Boat Ramp redevelopment, CBD & Foreshore Revitalisation, Ningaloo Centre, Exmouth Health Campus Upgrade and Flood Mitigation works. These projects will be completed over the next three financial years as the funds become available.



Learmonth Airport

Council resolved that some major changes were required at the Learmonth Airport. Major upgrades including the glazing, air-conditioning and the refurbishing of the Kiosk area was initiated to improve the comfort of users. An extension of the apron area is also planned to accommodate the additional Helicopter activity anticipated with the introduction of CHC Helicopters at the site. Council were able to secure just over a \$ 1m grant for the project from the Regional Airports Development Scheme.

Council also made the decision to not extend the lease agreement held with Bristows for the Heliport Operation, but instead to accept the operational responsibility of the facility which will offer neutrality to the multi-users as well as capitalising on the financial opportunity for wider community benefit. Another significant change at the Airport facility during the year has seen the introduction of the second airline service (Qantas) under what is now determined as a semi regulated route.

Carnarvon Flood Relief

Carnarvon and Gascoyne Junction were severely devastated by the impact of two significant flooding events over the Christmas period. Exmouth Council employees provided assistance in the recovery effort which was very much appreciated by the Carnarvon community.



Workplace Agreement

The Exmouth Council constantly faces the issue of competing with outside industry influences, particularly the Resource sector in relation to employment standards. During the year the Council and its employees adopted a Workplace Agreement which has been implemented and will hopefully assist in the attraction and retention of staff in the future.

World Heritage Listing for Ningaloo Coast

A significant announcement was made on the 24 June, 2011 by the World Heritage Committee which resolved to inscribe the Ningaloo Coast on the World Heritage List, acknowledging it as one of the outstanding natural places in the world.

The Ningaloo Coast World Heritage nomination was submitted to the World Heritage Committee by the Australian Government in January, 2010 with the support of the Western Australian Government. During 2010 and 2011, the nomination was assessed by the International Union for the Conservation of Nature (IUCN) and the World Heritage Committee.

The boundary of the Ningaloo Coast World Heritage Area covers over 600,000 hectares incorporating the Ningaloo Marine Park (Commonwealth and State waters), Cape Range National Park, Muiron Islands Marine Management Area, Muiron Islands Nature Reserve, Jurabi/Bundegi Coastal Parks and Learmonth Air Weapons Range.

Looking Ahead

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

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

Council Meeting Dates

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



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

Election Dates

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

ACCESS TO THE DECISION MAKING PROCESS

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

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

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

Prior to the Meeting

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

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

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

At the Meeting

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

After the Meeting

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

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



Corporate Services

Executive Manager Corporate Services

Sue O'Toole

Corporate Services Team

Vanessa Volkoff – Administration Manager

Sara Bailey – Administration Officer

Michelle Head – Administration Officer

Sharlene Williams – Administration Officer

Sandra Sapahla – Administration Officer

Tim Lymon – Airport Manager

Lorraine Dickings – Airport Security Supervisor

Edward Boney – Airport Security Officer

Andrew Froome – Airport Reporting/Security Officer

Neil James – Airport Reporting/Security Officer

Julia Kernaghan – Airport Security Officer

Allan Ladhams – Airport Security Officer

Renata Miller – Airport Security Officer

Clif O'Toole – Airport Reporting/Security Officer

Stephanie Price – Airport Security Officer

Durga Ojha – Senior Finance Officer

Denise Bailey – Finance Officer

Wendy Deering – Centrelink Officer

Maureen Graham – Centrelink Officer

Administration Services

Financial Services

Records Management & Information Systems

Aerodrome Services

Insurance & Risk Management

Cemetery

Aged Care facilities

Centrelink Agency

Corporate Services

Administration Services

Corporate Services continues to provide a comprehensive range of services to complement and continually improve the delivery of Council's core activities and services.

Community Donations/Assistance

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

Donation Recipient	Amount \$
Shire of Carnarvon (Flood Relief)	23,487
Shire of Upper Gascoyne (Flood Relief)	4,000
Exmouth District High School	1,265
Exmouth Anglican Church	187
Exmouth Yacht Club	96
Durack / TAFE	100
Sporting Shooters WA	718
Exmouth Playgroup	100
Exmouth Game Fishing Club	603
Whaleshark Festival	242
Lioness Club of Exmouth	231
Norwest Cape Exmouth Aboriginal Co	255
Exmouth Cultural Arts Centre Inc	170
Exmouth Senior Citizens	250
In Kind Works	5,890
TOTAL	37,594

Table 1, Capital Projects 2010-2011-2012

Financial Services

Financial Services is responsible for budgeting, accounts payable, accounts receivable, rates, payroll, and all other aspects of financial management of the Council. We continue to complete all these functions within legislative and operational guidelines.

We deliver usable management reports for Council and interested readers. Reports incorporating budget reviews are conducted to evaluate our position and ensure any changes to budgets are being approved and accounted for within our overall financial position.

Information Systems

During July 2010 the Shire implemented an electronic records management system, which has the capability of capturing, managing and storing our digital information.

The Shire's Website continues to deliver up to date information including agendas, minutes, job vacancies, tenders and general Shire information.

Information technology is being supported by an external company that provides optimal 'Helpdesk' support to Council in relation to IT assistance and advice requirements.

SMS Messaging

During March 2011 a free SMS Notification Program was implemented to advise the community of any impending cyclones and alerts. This system will also be used for communicating with the Local Management Emergency Group during events.

Learmonth Airport

Initiation of a Learmonth Airport Master Plan commenced in April 2009 and was adopted by Council in October 2010. This Master Plan provides a vision for the development of the airport to meet all the current and future needs taking into account the growth of the community and the catchment that it serves. The Master Plan provides the framework for orderly staged development to meet actual demand over time for the Shire of Exmouth and the Exmouth community.

Qantas commenced a regular RPT service to Exmouth 3 times per week on 30 March, 2011 flying on Wednesdays, Fridays and Sundays.

April 2011 saw the first stage of improvements to Learmonth Airport including the enclosing of the Transit Lounge. The old walls were constructed of mesh and particularly noisy due to helicopter movements directly in front of this location and being exposed to the climate. The second stage proposes is to install air-conditioning to the Transit and Departure Lounge and is planned to be commissioned in September 2011.

To complement the enclosing work, new furniture was purchased including tables, chairs, bar stools and 4 couches replacing existing furniture and creating a more relaxing area for passengers in transit.



Insurance and Risk Management

Council assets are insured through Local Government Insurance Services and the insurance portfolio is reviewed and renewed during the budget process. We continue to co-ordinate and manage insurance claims throughout the year.

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.

Aged Care Facilities

Corporate Services manages 34 aged person units located at Stokes-Hughes Street Exmouth. These units are popular with an occupancy rate of 100%. Administration maintains a waiting list for prospective tenants

Centrelink Agency

Council was informed that Centrelink Agents nationally would have their hours of operations reduced based on research compiled on the number of customers serviced. This change saw a reduction of 2.5 hours per week which came into effect on 1 July 2010.



Community Engagement

Executive Manager Community Engagement

Rogé Kempe

Community Engagement Team

Sharon Regterschot – Librarian/Telecentre Coordinator

Jennifer Kogler/Beck Edwards – Library/Telecentre Assistant

Bev Marston – Exmouth Visitor Centre Business Manager

Jackie King – Exmouth Visitor Centre Assistant Manager

Lauren Rampling – Community Development Officer



Community & Cultural Development

Youth and Seniors support

Disability support

Heritage

Tourism & Promotions

Library & Community Resource Centre

Festivals & Events

Grants

Community Engagement

The principal functions of the Council's Community Engagement Department are within the Community and Club Development, Library and Tourism areas. In addition the department is responsible for part of the corporate communications and marketing through newsletters and press releases, is responsible for development of some community infrastructure.

Community & Cultural Development

The Community Development Officer continued to assist Exmouth residents, groups and clubs through community development activities, school holiday programs and commemorative services.

Under the 'Focus Region' program of Country Arts WA a new Gascoyne Culture & Arts Strategy was developed for the Region. Next financial year will see the implementation of the plan with specific Exmouth activities being undertaken.

National Volunteers week was celebrated for the first time in Exmouth with an event in May 2011; this focused on recognising those that volunteer for the Emergency Services, such as SES, St Johns; Volunteer Fire Brigade; Sea Search & Rescue.

The Shire supported Exmouth Cultural Arts Centre to run a number of different activities and events for the benefit of the community, including Art on the Move, Artquest and Artwear.



Club Development

The Club Development Program of the Department of Sport & Recreation (DSR) is assisting Exmouth clubs for a 3 year period. The Community Development Officer is funded by DSR one day a week to undertake this work and has established stronger networks and assists clubs with any governance issues they want to address.

A Gascoyne Club Volunteer Awards Night was introduced for the first time to acknowledge local and regional volunteers and various workshops delivered to Exmouth Clubs through the Annual Conference.

In February 2011 the West Coast Eagles visited Exmouth as part of their community camp. They visited the school; hospital; play group; seniors; pool as well as running a training session for junior football and Auskick; attended a community evening at the bowls club and also managed to fit in a fishing trip.

Infant, Youth and Seniors Services

'Stay on Your Feet' programme was organised again in collaboration with Exmouth Hospital. The program included information for Exmouth Seniors about health, fitness and potential risks around the house.

An extensive Youth Survey was undertaken and a report with youth specific recommendations is expected early in the next financial year. Officers continue to progress the Youth Advisory Council for Exmouth with some young people showing an interest.

Three school holiday programs took place during this year and offered a wide range of activities, for example circus skills; movie nights; sea kayaking; dj-ing; master chef and a teddy bears picnic.

Community Development were also able to bring a climbing wall to Exmouth which the local community and school pupils made good use of.



Disability Services

Ongoing implementation of the *Disability Access & Inclusion Plan* and specific attention for accessibility for major projects (i.e. Townscape Revitalisation, Skate Park development) has ensured that accessibility and inclusion is incorporated in Shire activities and projects.

Heritage

The *Vlamingh Head Lighthouse* was restored and repainted and is protected for years to come. To celebrate this fact a community open day was organised in September 2010 with the lighting of the lighthouse taking place in the evening.

The Interpretive signage projects for WWII & Vlamingh Head precinct produced a report with interpretive design for 3 sites. A grant application for this project was submitted under Royalties for Regions and project implementation is expected early 2012.

Festivals and Events

The Shire was involved in and contributed to various community events like NAIDOC week, Pink October, Movember, Australia Day and ANZAC Day, Remembrance Day, Vietnam Veterans Day, the Virtual Rottnest Swim and a welcome event for the first Qantas flight to Exmouth.

The official opening of the Exmouth Skate Park (SkateX) took place in October 2010 with professional skaters conducting competitions and clinics and a Disco on the Skate Park in the evening.



Grants

Grants and Sponsorships received for community facilities and programs included: skate clinics, dry season assistance Scheme (community events) and Stay on your Feet week.

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

Communications

This year saw the ongoing production and distribution of monthly Shire Newsletters through letter drop and email, which included information about shire functions, processes and projects. In addition, the Shire produced media releases and provided community information through ABC radio and GWN news.

A Community Forum was introduced on a bi-annual basis to inform the Exmouth community about major developments and programs in Exmouth. Third parties are also invited to deliver presentations and the Shire intends to continue with these Forums.



Community Facilities Planning

This year saw the new Exmouth Skate Park (SkateX) constructed and officially opened in October 2010 with a skate competition and demonstrations to follow. A Shire contribution and grant funding from Lotterywest has ensured that the skate facility is very successful with skaters from Exmouth and visitors to our region. The early involvement of young skaters ensured that the park is in accordance with their wishes and it is hoped that they will look after the park in years to come.

The development of a new Multi-Purpose Hard Court at the Exmouth District High School is underway and the courts are expected to be finalised in early 2012. The project is a partnership with the Exmouth District High School and the Department of Education & Training and will provide for basketball, netball, soccer and indoor-hockey to name a few.

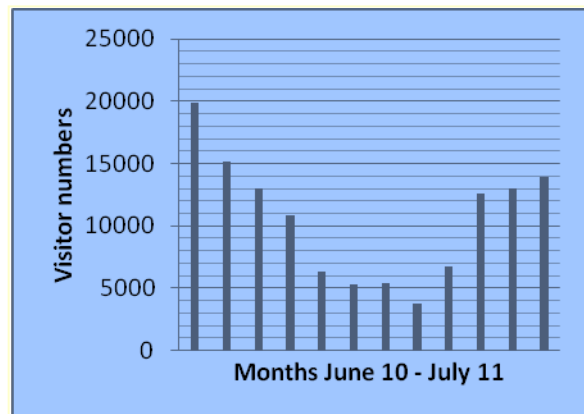
Good progress was made with the development of a feasibility study for the proposed Ningaloo Centre, to include Research, Community and Tourism components. Detailed planning will commence in the 2011/12 financial year.



Tourism & Promotions

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

For the financial year 2010/2011 the Exmouth Visitor Centre had an annual door count of 113,205 people. That is an average of 350 visitors per day which is comparable with the 357 per day in 2009/2010. Cyclones and floods contributed to a decline in visitor numbers in December; however visitor numbers for the quarter January to April were up by 10% on 2009/2010.



The Visitor Centre Membership increased by 4% to 135, with more than 90% being local Exmouth and Coral Bay businesses. A new, improved holiday planners was made and distributed.

Retail sales continued to climb with an increase in retail turnover for souvenirs, textiles, books and cameras. New stock included a range of snorkelling equipment and Exmouth branded clothing.

Library and Community Resource Centre (CRC)

This year 18,028 people made use of the Library and CRC facilities with 12,195 items being borrowed.

Better Beginnings for 0-5 year olds continues to be delivered and promoted by the Exmouth Library. This is a State Library WA initiative, supported by Rio Tinto and Royalties for Regions and provides each new born child with a bag containing a book and literacy information for parents. Story rhyme and craft time continue weekly and attract up to 24 children plus parents.

Also through Royalties for Regions the CRC has purchased and set up a new Government Information Access Point computer and designed and installed a new reception desk. The rebranding process was finalised and additional furniture and equipment purchased.

The Shire purchased new purpose build shelving for the children's area, which allows for better access to resources for children.



Looking forward

A new position will be created within the community development area to assist in the delivery of community activities in terms of frequency and quality thereof.

There will also be a stronger focus in the youth area with the finalisation of the Exmouth Youth Plan in 2011/12 and subsequent implementation with young people's involvement.

It is anticipated that the WWII & Vlamingh Head interpretive signage plan will be fully implemented. This will assist in community members and visitors gaining better understanding of the Exmouth region and its rich history.

The Vlamingh Head Lighthouse will be 100 years old in December 2012 and a celebration will be held on the 10th of December to commemorate the first lighting of the lantern in 1912.

The Tourism area will see a review of the current partnership between the Shire of Exmouth and the Exmouth Visitor Centre Marketing Committee will provide guidance for the future of visitor servicing in Exmouth and the shire's involvement in tourism promotion. The Shire will continue its contributions to the National Landscape program and collaboration with other regional partners in from Exmouth to Shark Bay.

Health and Building

Executive Manager Health & Building

Rob Manning

Health & Building Team

Jenni Mitchell – Environmental Health Officer

Joshua Koontz – Swimming Pool Manager

Kristy Wadley – Assistant Swimming Pool Manager / Water Sampling Officer

Bronwyn Giles – Life Guard / Casual Assistant Swimming Pool Manager

Talitha North – Life Guard (Resigned Jan 2011)

Krystal Keyne- Life Guard

Donna Koontz – Life Guard

Kirra De Jong - Life Guard

Steve Foster – Building Surveyor

Building Services

Environmental Health Services

Swimming Pool

Waste Management and Recycling

Occupational, Health & Safety

Health & Building

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

Health

Council's Environmental Health Services have continued their role in assisting the community to maintain a high standard of public health and prevention of illness by completing a vast range of inspection and monitoring programmes. A full complement of staff has not only enabled officers to conduct routine inspections and to respond to customer enquires/complaints, but also to be proactive in making regular contributions to the Shire Newsletter, local media and promoting recycling in the community by engaging with local sporting clubs and the Exmouth District High School. This public education, information and engagement approach was aimed at promoting environmental health & wellness amongst the community and will continue in the next year.

The introduction of the *Food Act 2008* and *Food Regulations 2009* has kept officers busy ensuring the requirements are met and that all businesses that sell food have either been notified or registered. Community and charitable groups that sell food for fundraising are also required to notify Environmental Health Services of any event where food is involved.

Several new food businesses began operating in 2010/2011 bringing the number of operating Food Businesses up to 46. These food businesses were categorised into risk levels and inspections performed on a regular basis in relation to their risk level.

In 2010/2011 the "*I'm alert*" food safety training was again provided free of charge. This is a free interactive food safety training program that gives food handlers convenient access to training and '*adequate knowledge and skills in food safety*' as required under the Food Safety Standards. It was the 2nd time that the Shire offered the free interactive training which continues to be utilised not only by food businesses but also by the general public concerned about food safety in their home. Participants received a certificate on completion

The return of the *Ningaloo Whale Shark Festival* saw officers working closely with festival organisers. The most important aspect of any event is the health and safety of patrons and this prompted the development of the Shire of Exmouth *Event Information & Application Guide*. This guide provides information about what procedures to follow, thus ensuring that event organisers meet all the health, safety and legal obligations of running their events.

The University of Western Australia's, Sentinel Chicken Bleeding Program has continued throughout the year with monthly bleeding of the chicken flock in Exmouth. This provided extremely useful information following the persistent rains that fell early in 2011 when the mosquitoes in our area were at risk of carrying Murray Valley Encephalitis, Kunjin Virus or other flaviviruses. On several occasions throughout the year the detection of positive results in the chicken flock provided the basis to issue warnings to Exmouth residents and visitors.

Waste Management and Recycling

Council Officers devoted considerable resources throughout the year on the development, expansion and sustainability of recycling projects within Exmouth.

The *Public Place Recycling and Resource Recovery Program* is a joint initiative with the Packaging Stewardship Forum who allocated \$10,000 funding to facilitate the expansion of aluminium cans recycling in Exmouth. The Shire works with local business and local clubs/community groups (currently the Exmouth Squash Club, previously Exmouth Amateur Swimming Club) to ensure that the recycling of aluminium cans continues in Exmouth. The program also provides an opportunity for clubs/community groups to benefit financially from their members volunteering to collect the cans.

The *household/domestic battery recycling program* aims to prevent domestic batteries from entering landfill. There are now drop-off points at the Shire administrative building and Exmouth District High School. This program has received great support from the school where they run inter-classroom competition for the most weight of batteries recycled by each class. To boost enthusiasm the Executive Manager of Health & Building has regularly given out certificates of achievements and small prizes for high achievers in the battery recycling program.

A low key glass crushing trial was conducted during this financial year. The trial involved seeing whether locally available crushing infrastructure could produce crushed glass to a specification that can be re-used in road construction or the manufacturing of concrete. Curtin University assists with the technical aspects of the trial. Initial advice received is that the samples analysed would not be suitable for use as an aggregate substitute in asphalt or concrete, but the material may be suitable as sub-base material in road construction.

Paltridge Memorial Swimming Pool

The Paltridge Memorial Swimming Pool continues to show the importance of the facility to the community with record attendances throughout the 2010/2011 season despite the many disruptive cyclones earlier in the year. Over 27,500 people entered the gates of the Paltridge Memorial Swimming Pool, 1000 more than the 2009/2010 season.

The Paltridge Memorial Swimming Pool hosted some significant local and regional events throughout the year, like the 15th Annual North West Pool Managers conference on the 22nd of May 2011. There were 60 delegates including pool managers from Geraldton to Derby as well as representatives from Royal Life Saving, Leisure Institute of Western Australia (LIWA), Water corporation, Department of Sport and Recreation and representatives several different commercial companies.





The Virtual Rottneest swim was held on the 26th of February 2011, this event saw 7 teams competing in a 20kms race and raised over \$5000 for the Royal Flying Doctor Service.

A grant of \$30,000 was received from the Federal Government as part of the Regional and Local Community Infrastructure Program (RLCIP) Round. A new playground was purchased and construction completed in March 2011. This is the first playground in Exmouth to feature rubber soft-fall material surrounding it.



Council's Swimming Pool Manager was inspired by the road side 'Police are Now Targeting' signs and developed his own 'Lifeguards are Now Targeting' sign (pictured above). This initiative was observed by a representative from Royal Life Saving and now a State wide program has been implemented as part of their 'Watch Around Water' campaign to increase awareness of safety around water. These signs have been distributed throughout public pools in Western Australia.

The trial of 'Dive In Movies' was held on the evening of April 29th to help raise money for the Exmouth District High School year 6 camp and to gauge interest in the event. The Pool Manager volunteered his time for this event and the CEO waived the entrance fee. The night proved to be very popular with over 100 people enjoying the movie under the stars.



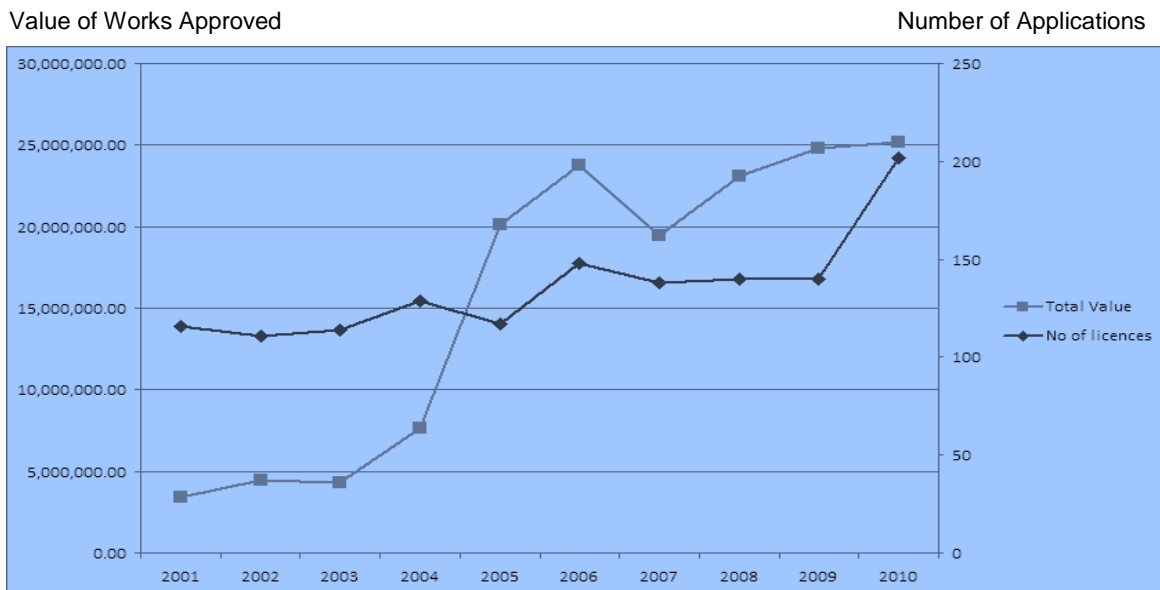
Occupational Safety and Health (OSH)

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

Many positive changes have been seen in health and safety in the organisation through the actions of the OSH committee. The Shire has now engaged Local Government Insurance Services (LGIS) who are providing expert OSH consultation to the Gascoyne Shires. LGIS have assisted the committee with a large range of OSH issues and continue to be a great resource.

Building

The following graph illustrates how the number of approved building licences and the value of the related works has increased dramatically over the last 10 calendar years.



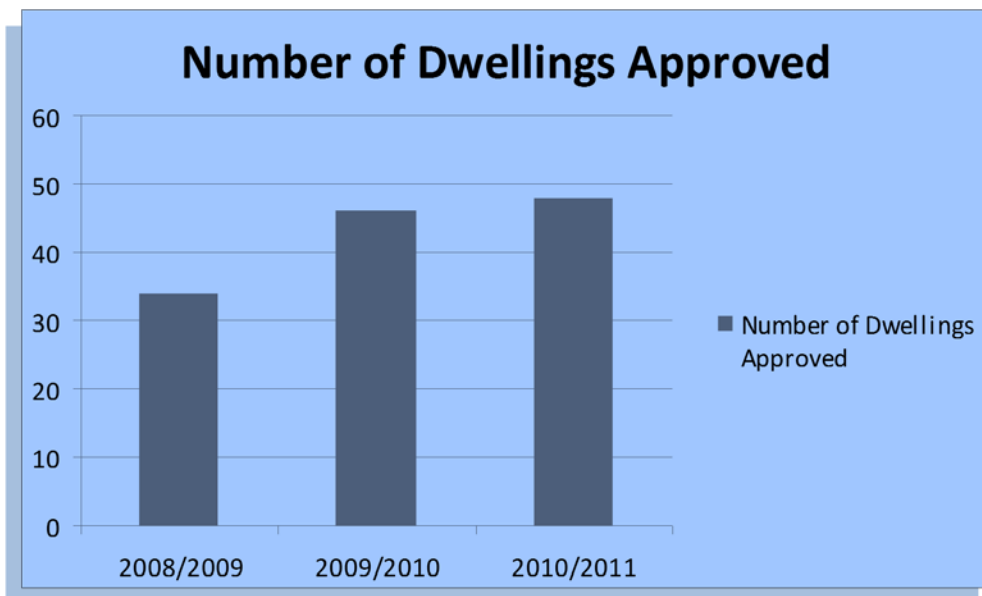
Building License statistics for the past 10 calendar years

The graph also illustrates another spike in building applications in 2010 where the annual number of application for the preceding five years increased from an average of 140 to 200. With 104 applications received as at 30 June 2011, the records for the first half of 2011 indicate that the annual number of applications received for 2011 is likely to again be around 200.

Another interesting statistic is the number of dwelling approved over recent years. During the financial years ending '09, '10 and '11; respectively, 34, 46 and 48 building licenses were issued for the construction of new dwellings. This is illustrated in the chart below.

Construction of new homes within the Exmouth Marina Village has continued to add to the above statistics. A similar or increased level of development in the EMV is likely to continue in 2011/2012 especially in Precinct B where a significant group housing site is gearing up to commence development.

The construction of new dwellings in the Market Street subdivision (now Mortis Street) has been slower than expected considering the many technical enquiries that were answered in relation to prospective development in 2009/2010. Notwithstanding the above, the trend still shows a very positive outlook for growth in Exmouth.



A positive achievement for the Council's Building Services over this period has been the ability to maintain an efficient turn-around time in processing the high number of building applications. Minor works approvals were generally approved in less than a week and substantial proposals took between 1 to 3 weeks to process.



Town Planning

Executive Manager Town Planning

Rhassel Mhasho

Town Planning Team

Andrew Raines - Planning Officer

David George – Ranger and Emergency Services

Town Planning Services

Townscape

Reserves Management

Heritage

Emergency Management, Compliance & Ranger Services

Town Planning

The Town Planning Department covers a wide range of functions, all related to Strategic and Statutory Land Use, Development Approval and Control, Local Laws and Planning Policies in accordance with the relevant Legislation including the *Planning & Development Act 2005*, Council's Local Planning Scheme, and relevant procedures. Customer Service, community information and public consultation are all major aspects of Town Planning.

This year the Emergency Management, Compliance and Ranger Services were included to the Town Planning department.

Ranger Services

Ranger Services are responsible for the administration and enforcement of a number of State Acts and Shire Local Laws within the district. Regular patrols of the district are conducted to reduce the incidence of unlawful activities. Ranger Services have been challenged throughout the year with illegal camping being the biggest issue faced.

Incident type	Offences
Dogs	73
Camping	319
Parking	54
Litter	22
Fire	7
Off Road Vehicles	6
Other	16
Total	497

The following is a table of the offences identified and addressed by Ranger Services throughout the year.

Emergency Management

The Department continued to work with emergency groups and other stakeholders to review the readiness of emergency services and the effectiveness of the Shire's Emergency Management Plan whilst meeting Council requirements under the Emergency Management Act.

Firebreak and cyclone inspections were conducted throughout the year with a total of 116 notices being issued in response to those inspections.

Overflow Caravan Park

An Emergency Overflow Caravan & Camping Site adjacent to the Koobooroo Oval was established in 2009. The site was opened during peak tourist season this year to assist in the accommodation of visitors who cannot find accommodation in town because all camping sites are taken.

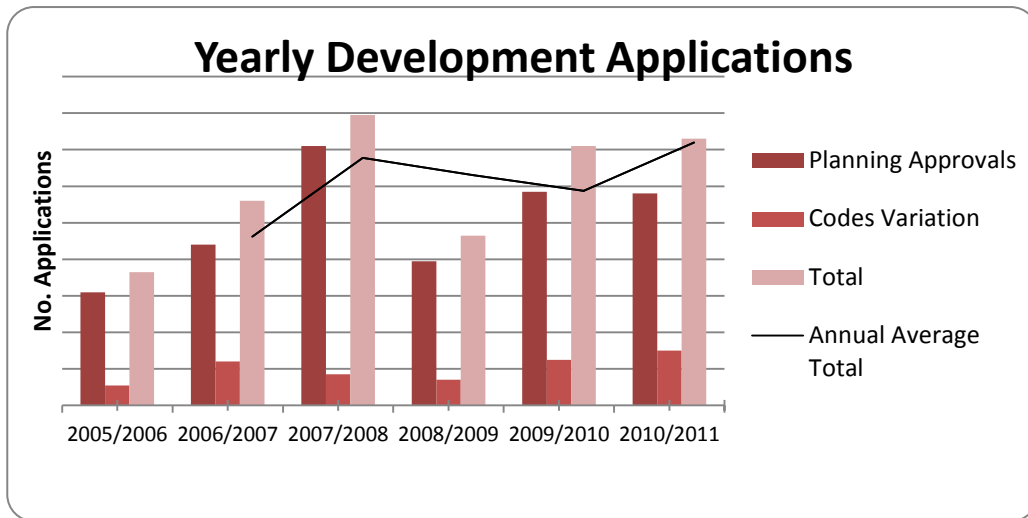
Statutory Planning

Development Applications and Subdivision

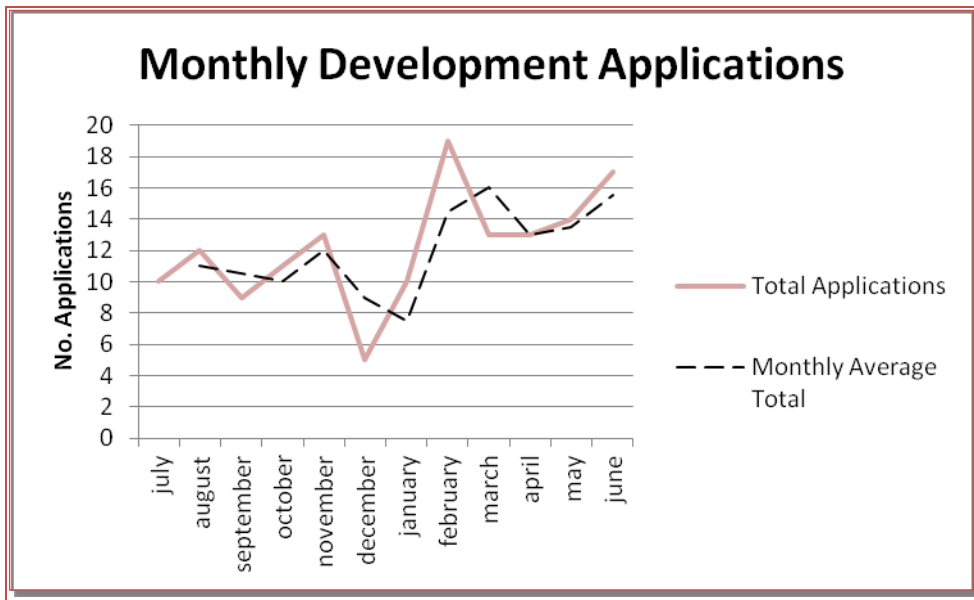
This year the town planning department maintained a 14 day processing time for planning applications and processed a total of 146 development applications (an increase of 2.8% from the previous year). The majority of these were Holiday Accommodation, oversized outbuildings and residential dwellings applications.

The largest development application received during the year was for the Concrete Batching Plant and Limestone Block Plant on Lots 322 and 323. The project is expected to start in the 2011/12 financial year once all approvals are obtained.

In the 2010/11 financial year a total of 142 development applications were processed, which is similar to the previous year. The graph below shows the distribution and expected annual average total of development applications processed over the past 5 years.



The number of monthly development applications processed was similar to the previous year, however, development applications have increased between April and July with a monthly average of 14 applications. The graph below depicts the monthly number of development applications.



The sharp rise in applications in the period January to May was as a result of new Holiday Accommodation applications.



Development Control

The department conducts various audits of planning related matters within the Scheme area. A total of 31 notices regarding illegal development were served and one written direction order was issued during the year.

No legal action was required and all recipients have progressively worked with the Shire to legalise the use including relocation of the activity to appropriately zoned land.

Subdivisions

The department provided responses to the Western Australian Planning Commission on a number of subdivisions. One major subdivision near completion is Lot 12 Market Street subdivision which is expected to yield 11 residential lots. A number of strata subdivisions were also approved in the Exmouth Marina Village Precinct B yielding 38 residential strata lots.

Strategic Town Planning

Town Planning Scheme Amendments

A total of 3 scheme amendments were processed during the year (2 amendments were authored by the Department). These include:

- Scheme Amendment 19: to insert developer contribution provisions into the Local Planning Scheme and amend the legal interpretation of the development controls for the Marina Zone. The Amendment is awaiting the approval of the Minister.
- Scheme Amendment 25: Rezoning two lots adjacent to the Lighthouse Caravan Park to achieve the recommendation of the Vlamingh Head Masterplan for further tourism development.
- Scheme Amendment 26: to amend Scheme zoning to progress two infill residential subdivisions with potential yield of 29 residential lots and 11 special rural lots. This amendment will ensure that Council can control the timely release of urban land to achieve housing affordability in future years.



Exmouth Structure Plan 2011

The Department finalised the Exmouth Structure Plan with minor variations to correctly depict Council's future strategic land use planning. The Plan was approved by the Minister of Planning in August 2011. The Department envisions a review of the Local Planning Scheme commencing early 2013 and the preparation of the Local Planning Strategy.

District Water Management Strategy (DWMS)

The Department initiated the preparation of the DWMS. The Strategy will demonstrate that the land proposed for rezoning in the Exmouth Structure Plan 2011 is capable of supporting urban development and able to achieve appropriate urban water management outcomes.

It is expected that the DWMS will provide greater long term direction, facilitating the sustainable development of the Shire of Exmouth and provide for adapting current management processes of water and land use to better suit the unique Exmouth climate. The Strategy is expected to be finalised late 2011 prior to the Scheme review.

Local Tourism Planning Strategy

The Local Tourism Planning Strategy is a strategic tourism land use planning strategy which addresses related planning matters. The Strategy recognises the economic, environmental and social importance of tourism within the local community and provides recommendations for the development of a sustainable tourism industry.

The Department envisions completion of the Strategy early 2012 prior to a Scheme review and the preparation of the Local Planning Strategy.

Town Centre and Foreshore Revitalisation Plans

Currently the town has limited retail development opportunities, shortage of office space for government services and business, amenities, and roads and parking that do not meet current community expectations and do not adequately service the community for the future. The department successfully applied for R4R Revitalisation funding to plan for the future of the town centre and the foreshore.

New plans aim to create a more vibrant town centre and with new public spaces, commercial opportunities and business investment to help profile Exmouth as an excellent tourism destination. The Department expects completion of these plans in late 2011 prior to a Scheme review and the preparation of the Local Planning Strategy.



Review and Development of new Planning Policies

The department is conducting a review of town planning policies. This review process continually occurs as existing policies are updated or new policies created. A total of 3 new policies were created and 2 were reviewed.

Looking forward

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

- Progressing the preparation of the Local Planning Strategy and the review of the Local Planning Scheme through the completion of supporting strategic planning documents like DWMS, LTPS, Town Revisitation Plan and Structure Plan;
- Continue progressing the timely release of land, identified by Council, for residential, industrial, Tourism and commercial development with the Department of Lands & Regional Development;
- Progressing affordable workers accommodation grouped housing project earmarked for Lefroy Street in partnership with the Exmouth Chambers of Commerce and Industry; and
- Progressing various grant applications including underground power.



Transport-Roads, Footpaths

Parks and Recreation Grounds

Infrastructure and Community

Amenities

Asset and Building Maintenance

Engineering Services

Executive Manager Engineering Services

Keith Woodward

Engineering Services Team

Joanne Gordon-	Parks and Building Supervisor
John O'Donnell	Works Supervisor
Alan O'Conner	Stores
Andrew Graham-	Leading Hand Road Crew
Mathew Gouldsmith-	Road Crew
Rodney Ziere-	Road Crew
Mark Woods-	Road Crew
Craig Sawley-	Town Engineering
Darren Stevens-	Town Engineering
Graham Woods-	Waste Site part time
Jim Coles-	Waste Truck
Troy Wright-	Irrigation
Ricky Melvin-	Parks
Lisa Sanders-	Parks
Ken Cameron-	Parks
Vacant-	Parks Trainee
Garry King-	Building Maintenance
Rodney McKenzie-	Building Maintenance and APH caretaker
Garvin Western-	Amenities Cleaner
Mav Williams	Public Building Cleaner
Alan Winters-	Mechanic

Engineering Services

Roads

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

Murat Road

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

Yardie Creek Road

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

Ningaloo Access Road

Increasing traffic to the Ningaloo area is placing high maintenance demands on the existing unsealed road surface. The road is in need of development to a standard that will safely allow for the existing and increasing forecast traffic requiring access to the Ningaloo area. The development strategy is to provide a two lane gravel sheeted road between the Minilya-Exmouth Road and the Ningaloo homestead.

Gravel Reserves Road Construction and Maintenance

The Shire and the Department of Environment and Conservation organized the "Biodiversity Values of Basic Raw Materials within Cape Range" report which establishes what locations can be developed for gravel extraction with minimum impact on the environmental values of Cape Range.

The extraction site management plans will be developed in 2011/2012. This plan will manage extraction, operations and rehabilitation of the Shire's Pindan Pit and Gravel Reserves.



Project Planning

Substantial project planning occurred in 2010-2011. As a result \$10m has been secured which will deliver wide-ranging civil projects in 2011-2012. The 2011-2012 funded projects are shown in Table 1.

Location	Description	Cost
Tantabiddi Boat Ramp	Construct new boat ramp	\$2,200,000
LIA/Reid Street	Construct flood mitigation.	\$2,300,000
Shothole Canyon Road	Reconstruct road and drainage	\$342,800
Stokes Hughes Street	Construct new footpath	\$100,000
Mortis Street	Construct flood mitigation	\$3,500,000
Skipjack Circle	Construction Shire houses x 2	\$1,000,000
Talanjee Oval	Sports oval lighting towers	\$500,000
Bundegi Car Park	Additional 45 parking bays, solar lighting and 2 bio toilets	\$134,891
Bundegi Beach	Shade and pontoon	\$26,463
Pace Retreat	Reconstruction of road	\$151,133
Works Depot	Heavy and Light Equipment trade and supply	\$920,000
Pindan and Gravel pits	Development of management plans and land acquisition	\$25,700
Exmouth Marina	Landscaping	\$200,000

Table 1, Capital Projects 2010-2011-2012

Staff and Structure

To manage the increasing capital works program and amenities service works load a restructure of the department's staff organization occurred. Overall the only increase to staff levels from the previous financial years to the 2010-2011 financial years was the addition of 1 trainee position.

The morale of the outdoor work force is good with no lost time to industrial action. Sick leave was maintained to approximately 2.5% of the total job hours allocated. There were no significant work place injuries. The department has monthly safety meetings; minutes are taken. The department uses Safety Management Plans and associated Take 5 Inspections.

Staff Training in 2010/2011:

- Herbicide Handling Certification
- Blue/White Card
- FESA Bush Fire Training; 3 bush fire fighting courses and 2 bush fire management courses
- Chlorine Handling Certification
- Chainsaw
- B and HR Licenses

Staff development programs planned in 2010-2011 for the 2011-2012 year includes horticultural and administration traineeships and three staff undertaking further education in Civil Engineering Works and Horticulture.

Waste Collection

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

Parks and Gardens

The parks and gardens were maintained with no loss of turf or landscaping. The treated effluent system was expanded minimizing the reliance on fresh or bore water. The expansion plans for treated effluent irrigation system focused on the interconnection of the existing irrigation system to the Exmouth Marina Village landscaping. The developers of the Exmouth Marina Village Super Lots were requested to design the landscaping irrigation system to be both scheme water and effluent compatible. The irrigation system for the Super Lots will need to have the capacity to switch between scheme water and treated effluent to ensure that there is enough moisture to sustain the parks and trees.

Currently there is not enough treated effluent to irrigate the landscaping at the Exmouth Marina Village. It is envisaged that the landscaping will be reliant on scheme and bore water until the town grows and more sewage is available, in approximately 3-5 years.



Environment

Additional pressures associated with 4 cyclones preparation and response periods during the 2010/11 cyclone season substantially affected the project schedule however work practices were adjusted to correct the lost production time.

Cyclone Carlos inflicted \$400,000 worth of damage, mainly associated with the heavy erosion of Shot Hole Canyon Road. The cyclone season was partially wet causing substantial vegetation growth throughout the town site and increased the bush fuel load.

The coastal processes on the eastern side of the Exmouth peninsula were partially heavy with erosion impacting Town Beach. The Shire removed the seaweed stock pile from in front of the Novotel Resort because on the rotting stink caused by the decaying seaweed.

Other environmental issues the Shire faced were the increased growth on the caltrop weed which was managed via public involvement including the distribution of free herbicide. In addition the Shire applied 500 litres of Roundup to control the infestation.

Plant and Equipment

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

The approach taken to manage the Shire fleet is based on the Institute of Public Works Engineering Australia "*Plant and Vehicle Management*" (IPWEA) program. This will ensure optimum trade cycles and service programming will substantially lower the cost of fleet and plant operations. The goal is high utilization, optimum replacement, minimum down time and proactive failure management. Fleet utilizations and the fleet replacement program is benchmarked annually against the IPWEA benchmarking guidelines.

Buildings

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

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



Statutory Reports

PLAN FOR THE FUTURE 2011/12 to 2015/16

Division 5 of the Local Government Act 1995 sets out the statutory obligations of the Shire in respect of Annual Reports and Plans for the Future. Section 5.53 (in particular) details specific requirements in respect of the Shire's 'Plan for the Future'.

Based on the outcomes of the 2007 Strategic Planning process, Council developed a Plan for the Future for the ensuing 5 financial years. The plan was adopted at the ordinary Council meeting held 17 April 2008 and is reviewed and updated every two years, including this financial year.

The Plan identifies the following projects of key strategic importance:

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

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

RECORD KEEPING PLAN

As per requirements for compliance with the State Records Act 2000 Standard 2, Principle 6 a Record Keeping Plan for the Shire of Exmouth has been compiled and has been approved by the State Records Office.

The Record Keeping Plan includes the control, retention and disposal of the Shire's public records. Under the Plan the Shire maintains recordkeeping training and induction programs to ensure that the Shire employee's are informed of their responsibilities in regard to recordkeeping. This program is subject to review to improve its effectiveness and efficiency.

The Shire implemented an electronic records management system that enhances current record management practices.

NATIONAL COMPETITION POLICY STATEMENT

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

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

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

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

In accordance with the requirements of the National Competition Policy the Shire of Exmouth makes the following disclosure for 2010/11.

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) – Airport Operations.

The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is: Zero (0)

Under the implementation timetable required by the National Competition Policy Statement the Shire of Exmouth was required to undertake a cost benefit analysis to determine which significant business activities would be subject to competitive neutrality principles by June 1, 1997. This analysis was not undertaken by the Shire due to a short term human resource deficiency. The analysis was carried out in accordance with the following timetable:

Implementation Timetable

31st December 1997

Completion of a cost-benefit analysis and review of significant business activities to determine if it is appropriate to apply competitive neutrality principles to any significant business activities.

This was carried out by Council and a Report for the operation of the Exmouth Airport 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 Airport. Council will continue to monitor the benefits of applying competitive neutrality on an ongoing basis.

Structural Review of Public Monopolies

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

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

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

Legislative Review

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

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

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

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

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

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

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

By-Laws Relating to:

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

Legislative Review and Reform Strategy

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

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.

One (1) complaint was received or recorded during the 2010/11 financial year.

DISABILITY ACCESS AND INCLUSION PLAN

Ongoing implementation during 2010/2011

A major achievement during 2007 was the development of a Disability Access & Inclusion Plan (DAIP) in accordance with current legislation. In doing so, the Shire committed to an extensive planning process that included:

- A review of the existing Disability Services Plan
- Desktop audit of achievements 1996 – 2006
- Consultation with stakeholders and residents
- Development of a five-year DAIP
- 21 day period of public comment for the draft DAIP
- Formal endorsement of the DAIP 2007 – 2012 by the Council of the Shire of Exmouth

The Shire of Exmouth lodged the DAIP 2007 – 2012 with the Disability Services Commission (DSC) in June 2007 and has since received confirmation from DSC that it meets the requirements of the *Disability Services Act 1993*.

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

The Shire will review the plan in next financial year..

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

1. People with disabilities have the same opportunities as other people to access the services of, and any events organised by, a public authority
 - The Shire continues to affiliate to the Companion Card scheme which allows free access to Shire venues and events for the carer/companion of a card holder.
 - Bus/transport services have been improved, awareness and availability of services is continuing like beach wheelchair and RSL Sound system.
2. People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority
 - Ongoing footpath improvements like installation of on/off ramps, replacement of uneven slabs, maintenance of dual use paths network, ramps leading onto Exmouth Marina Village pedestrian footbridge
 - Maintenance of ACROD parking bays like re-marking of bays, monitoring of appropriate use by Ranger Services
 - Accessibility of new skate park with special access ramps
3. People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it:
 - A wide range of information is made available to all residents of Exmouth via the Shire's monthly newsletter, emails, Community Notice Board, website and local newspapers/radio;

- Information can be made available on request in a variety of formats, where practicable;
4. People with disabilities receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority
 - All Shire employees read and sign an Induction Manual agreeing to adhere to a range of policies and procedures which includes an Equal Opportunities policy
 - The Executive Manager Community Engagement has a designated responsibility for access and inclusion issues and seeks professional advice from organisations such as the Disability Services Commission and WALGA as appropriate
 5. People with disabilities have the same opportunities as other people to make complaints to a public authority
 - The Shire has a formal complaints procedure and complaints can be made in person, in writing, via phone, fax or email and via the feedback mechanism on the website.
 6. People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority
 - The Shire has a number of Committees which include community representatives and all members of our community are welcome to nominate at the appropriate time
 - The Shire's monthly Ordinary Council Meeting agendas and minutes are available on the website. Council meetings are open to the public and there is an opportunity for members of the public to ask questions at each meeting
 - The Shire continues to undertake community and stakeholder consultation across a wide range of issues and these processes are open to all who wish to participate and contributions can be made in a variety of ways: face to face, phone, electronic, in writing etc

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 (\$)	2011	2010	2009	2008
100,000 – 109,999				1
110,000 – 119,999		1	1	
120,000 – 129,999	1			

Financial Report



SHIRE OF EXMOUTH
2010/11 Financial Report
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SHIRE OF EXMOUTH
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

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 2011 are in my opinion properly drawn up to present fairly the financial position of the Shire of Exmouth at 30th June 2011 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 18TH day of NOVEMBER 2011.



B Price
Chief Executive Officer

SHIRE OF EXMOUTH
Statement of Comprehensive Income
By Nature or Type
for the Year Ended 30 June 2011

	NOTE	2011 \$	2011 Budget \$	2010 \$
Revenue				
Rates	24	2,755,574	2,710,468	2,443,164
Operating Grants, Subsidies & Contributions	30	2,535,249	1,834,264	2,188,642
Service Charges		0	0	0
Fees and Charges	29	4,428,252	3,194,932	4,336,500
Interest Earnings	2(a)	285,758	120,764	159,767
Other Revenue		160,452	170,227	180,857
		<u>10,165,285</u>	<u>8,030,655</u>	<u>9,308,930</u>
Expenses				
Employee Costs		(4,236,058)	(4,343,692)	(3,629,712)
Materials and Contracts		(2,129,570)	(2,035,727)	(1,996,232)
Utility Charges		(634,239)	(494,451)	(439,044)
Depreciation on Non-current Assets	2(a)	(2,081,592)	(1,995,386)	(1,908,569)
Interest Expenses	2(a)	(43,059)	(57,314)	(46,456)
Insurance Expenses		(313,128)	(307,923)	(278,650)
Other Expenditure		(130,272)	(696,849)	(117,219)
		<u>(9,567,917)</u>	<u>(9,931,342)</u>	<u>(8,415,882)</u>
		597,369	(1,900,687)	893,048
Non Operating Grants, Subsidies & Contributions	30	1,032,157	5,164,857	1,491,132
Fair value adjustments to financial assets at fair value through profit and loss		0	0	0
Profit on Asset Disposals	22	35,969	56,094	15,584
Loss on Asset Disposals	22	(72,641)	(100,758)	(5,501)
NET RESULT		<u>1,592,854</u>	<u>3,219,505</u>	<u>2,394,263</u>
Other Comprehensive Income				
Changes on revaluation of non-current assets		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>1,592,854</u>	<u>3,219,505</u>	<u>2,394,263</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 2011

	NOTE	2011 \$	2011 Budget \$	2010 \$
Revenue				
General Purpose Funding		4,718,804	4,087,262	4,135,295
Governance		2,722	2,000	3,473
Law, Order, Public Safety		157,937	53,146	86,254
Health		40,314	32,500	30,534
Education and Welfare		99,807	100,112	91,105
Housing		241,022	214,076	221,745
Community Amenities		978,430	1,935,368	1,506,464
Recreation and Culture		949,313	2,946,578	499,306
Transport		3,486,387	3,365,974	3,161,530
Economic Services		323,612	366,945	698,423
Other Property and Services		235,062	147,644	381,518
		<u>11,233,410</u>	<u>13,251,605</u>	<u>10,815,647</u>
Expenses Excluding Finance Costs				
General Purpose Funding		(31,558)	(43,939)	(72,721)
Governance		(373,825)	(382,038)	(258,599)
Law, Order, Public Safety		(342,444)	(348,165)	(281,551)
Health		(247,898)	(230,363)	(212,487)
Education and Welfare		(161,328)	(180,918)	(143,361)
Housing		(342,659)	(353,381)	(240,861)
Community Amenities		(1,607,635)	(1,643,186)	(1,283,318)
Recreation & Culture		(1,679,824)	(2,068,302)	(1,506,135)
Transport		(3,648,234)	(3,564,335)	(3,015,086)
Economic Services		(1,039,235)	(1,044,539)	(1,184,943)
Other Property and Services		(122,857)	(130,350)	(175,866)
		<u>(9,597,497)</u>	<u>(9,989,516)</u>	<u>(8,374,928)</u>
Finance Costs				
Housing		(19,504)	(19,288)	(21,168)
Recreation & Culture		(1,360)	(1,338)	(1,806)
Other Property & Services		(22,195)	(21,958)	(23,482)
	2 (a)	<u>(43,059)</u>	<u>(42,584)</u>	<u>(46,456)</u>
NET RESULT		<u>1,592,854</u>	<u>3,219,505</u>	<u>2,394,263</u>
Other Comprehensive Income				
Changes on revaluation of non-current assets		0	0	0
Total Other Comprehensive Income		0	0	0
TOTAL COMPREHENSIVE INCOME		<u>1,592,854</u>	<u>3,219,505</u>	<u>2,394,263</u>

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

SHIRE OF EXMOUTH

Statement of Financial Position

As at 30 June 2011

	NOTE	2011 \$	2010 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	6,069,039	4,447,658
Investments	4	0	0
Trade and Other Receivables	5	1,828,895	1,734,431
Inventories	6	41,690	29,466
TOTAL CURRENT ASSETS		<u>7,939,624</u>	<u>6,211,555</u>
NON-CURRENT ASSETS			
Other Receivables	5	53,002	37,265
Inventories	6	0	0
Property, Plant and Equipment	7	11,665,926	11,674,193
Infrastructure	8	25,183,223	25,013,822
Other	9	194,993	318,786
		<u>37,097,144</u>	<u>37,044,066</u>
TOTAL ASSETS		<u>45,036,768</u>	<u>43,255,621</u>
CURRENT LIABILITIES			
Trade and Other Payables	10	888,418	970,013
Current Portion of Long Term Borrowings	11	174,031	74,169
Provisions	12	493,805	391,183
TOTAL CURRENT LIABILITIES		<u>1,556,254</u>	<u>1,435,365</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	11	885,917	754,948
Provisions	12	44,247	107,808
TOTAL NON-CURRENT LIABILITIES		<u>930,164</u>	<u>862,756</u>
TOTAL LIABILITIES		<u>2,486,418</u>	<u>2,298,121</u>
NET ASSETS		<u>42,550,350</u>	<u>40,957,500</u>
EQUITY			
Retained Surplus		28,161,111	28,089,714
Reserves - Cash Backed	13	4,937,183	3,415,730
Reserves - Asset Revaluation	14	9,452,056	9,452,056
TOTAL EQUITY		<u>42,550,350</u>	<u>40,957,500</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 2011

	RETAINED SURPLUS	RESERVES CASH/ INVESTMENT BACKED	ASSET REVALUATION RESERVES	TOTAL EQUITY
\$	\$	\$	\$	\$
Balance as at 1 July 2009	26,129,105	2,982,080	9,452,056	38,563,241
Changes in Accounting Policy				
Restated Balance	<u>26,129,105</u>	<u>2,982,080</u>	<u>9,452,056</u>	<u>38,563,241</u>
Net Result	2,394,263			2,394,263
Total Other Comprehensive Income	0	0	0	0
Correction of Errors	(4)			(4)
Transfer from/(to) Reserves	<u>(433,650)</u>	<u>433,650</u>	<u>0</u>	<u>0</u>
Balance as at 30 June 2010	28,089,714	3,415,730	9,452,056	40,957,500
Correction of Errors	(4)			(4)
Net Result	1,592,854	0	0	1,592,854
Total Other Comprehensive Income	0	0	0	0
Transfer from/(to) Reserves	<u>(1,521,453)</u>	<u>1,521,453</u>	<u>0</u>	<u>0</u>
Balance as at 30 June 2011	<u>28,161,111</u>	<u>4,937,183</u>	<u>9,452,056</u>	<u>42,550,350</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 2011

	NOTE	2011 \$	2011 Budget \$	2010 \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,346,008	2,737,573	2,204,491
Operating Grants, Subsidies & Contributions		2,535,249	1,834,264	2,188,642
Service Charges		0	0	0
Fees and Charges		4,734,729	3,242,856	3,972,783
Interest Earnings		285,758	120,764	159,767
Goods and Services Tax		536,194	0	382,829
Other Revenue		160,453	170,227	180,857
		<u>10,598,390</u>	<u>8,105,683</u>	<u>9,089,369</u>
Payments				
Employee Costs		(4,196,997)	(4,321,809)	(3,687,385)
Materials and Contracts		(2,212,252)	(2,093,253)	(2,162,239)
Utility Charges		(639,807)	(504,467)	(459,815)
Insurance Expenses		(313,128)	(307,923)	(278,650)
Interest Expenses		(43,059)	(57,314)	(46,456)
Goods and Services Tax		(533,315)	0	(384,907)
Other Expenditure		(138,719)	(696,849)	(137,990)
		<u>(8,077,277)</u>	<u>(7,981,615)</u>	<u>(7,157,443)</u>
Net Cash Provided By Operating Activities	15(b)	<u>2,521,113</u>	<u>124,068</u>	<u>1,931,926</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(943,354)	(1,544,772)	(719,230)
Payments for Construction of Infrastructure		(1,311,924)	(6,325,476)	(2,739,767)
Grants/Contributions for the Development of Assets		1,032,157	5,164,857	1,491,132
Proceeds from Sale of Plant & Equipment		99,673	132,000	31,454
		<u>(1,123,448)</u>	<u>(2,573,391)</u>	<u>(1,936,411)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(74,169)	(170,455)	(70,774)
Community Loan in Advance		(25,000)	0	0
Proceeds from Self Supporting Loans			0	0
Proceeds from New Debentures		305,000	305,000	0
Proceeds from Advances		17,885	0	23,931
Net Cash Provided By (Used In) Financing Activities		<u>223,716</u>	<u>134,545</u>	<u>(46,843)</u>
Net Increase (Decrease) in Cash Held		<u>1,621,381</u>	<u>(2,314,778)</u>	<u>(51,328)</u>
Cash at Beginning of Year		4,447,658	4,447,658	4,498,986
Cash and Cash Equivalents at the End of Year	15(a)	<u><u>6,069,039</u></u>	<u><u>2,132,879</u></u>	<u><u>4,447,658</u></u>

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

SHIRE OF EXMOUTH

Rate Setting Statement

for the Year Ended 30 June 2011

	NOTE	2011 Actual \$	2011 Budget \$
REVENUES			
General Purpose Funding		1,963,230	1,376,795
Governance		2,722	2,000
Law, Order, Public Safety		157,937	53,146
Health		40,314	32,500
Education and Welfare		99,807	100,112
Housing		241,022	214,076
Community Amenities		978,430	1,935,368
Recreation and Culture		949,313	2,946,578
Transport		3,486,387	3,365,974
Economic Services		323,612	366,945
Other Property and Services		235,062	147,644
		<u>8,477,836</u>	<u>10,541,138</u>
EXPENSES			
General Purpose Funding		(31,558)	(43,939)
Governance		(373,825)	(382,038)
Law, Order, Public Safety		(342,444)	(348,165)
Health		(247,898)	(230,363)
Education and Welfare		(161,328)	(180,918)
Housing		(362,163)	(372,669)
Community Amenities		(1,607,635)	(1,643,186)
Recreation & Culture		(1,681,184)	(2,069,640)
Transport		(3,648,234)	(3,564,335)
Economic Services		(1,039,235)	(1,044,539)
Other Property and Services		(145,052)	(152,308)
		<u>(9,640,556)</u>	<u>(10,032,100)</u>
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals	22	36,672	44,664
Movement in Accrued Interest			0
Movement in Deferred Pensioner Rates (Non-Current)		(2,237)	0
Movement in Accrued Salaries and Wages		0	0
Movement in Employee Benefit Provisions		39,061	0
Depreciation and Amortisation on Assets	2(a)	2,081,592	1,995,386
Capital Expenditure and Revenue			
Purchase Land and Buildings		0	(137,500)
Purchase Infrastructure Assets - Roads		(805,189)	(2,100,105)
Purchase Infrastructure Assets - Other		(630,528)	(4,225,371)
Purchase Plant and Equipment		(818,846)	(1,003,165)
Purchase Furniture and Equipment		(124,508)	(404,107)
Payments for Works in Progress		123,793	0
Proceeds from Disposal of Assets	22	99,673	132,000
Repayment of Debentures	23	(74,169)	(170,455)
Proceeds from New Debentures	23	305,000	305,000
Proceeds from Community Groups		17,887	16,929
Advances to Community Groups		(25,000)	0
Transfers to Reserves (Restricted Assets)	13	(2,073,656)	(585,764)
Transfers from Reserves (Restricted Assets)	13	552,203	1,177,670
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		1,808,880	1,826,449
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		2,103,482	91,137
Amount Required to be Raised from Rates	24	<u><u>(2,755,574)</u></u>	<u><u>(2,710,468)</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 2011

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 and accompanying regulations.

The report has also been prepared on the accrual basis under the convention of historical cost accounting modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Statement of Financial Position are stated inclusive of applicable GST.

(d) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown as short term borrowings in current liabilities on the Statement of Financial Position.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Trade and Other Receivables

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

(f) Inventories

General

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

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

Land Held for Resale

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

Revenue arising from the sale of property is recognised in the Statement of Comprehensive Income as at the time of signing an unconditional contract of sale.

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

(g) Fixed Assets

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

Initial Recognition

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

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

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

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (continued)

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.

Depreciation of Non-Current Assets

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

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

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

Buildings	40 Years
Furniture and Equipment	10 years
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

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 recoverable amount.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (continued)

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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Capitalisation Thresholds

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

(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 expenses to profit or loss immediately.

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (continued)

(ii) Loans and receivables

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

Loans and receivables are included in current assets or current liabilities, except for those which are not expected to mature within 12 months after the end of the reporting period (classified as non-current assets).

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and that the Council's management has the positive intention and ability to hold to maturity.

Held to maturity financial assets are included in non current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which are classified as current assets.

If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

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

Available-for-sale financial assets are included in non current assets, except for those which are expected to mature within 12 months after the end of the reporting period (classified as current assets).

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(j) Impairment

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 'Impairment of Assets' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

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

(k) Trade and Other Payables

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

(l) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Council has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Employee Benefits (continued)

(ii) *Long Service Leave (Long-term Benefits)*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(m) Borrowing Costs

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

(n) Provisions

Provisions are recognised when:

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

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

Provisions are not recognised for future operating losses.

(o) Leases

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

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

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

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

(p) Joint Venture

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

(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.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

(r) Superannuation

The Shire of Exmouth contributes to a number of Superannuation Funds on behalf of employees.

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

(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 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2011.

Council's assessment of these new standards and interpretations is set out below:

Title and Topic	Issued	Applicable ⁽¹⁾	Impact
(i) AASB 9 - Financial Instruments	December 2009	1 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 124 - Related Party Disclosures	December 2009	1 January 2011	Nil - It is not anticipated the Council will have any related parties as defined by the Standard.
(iii) AASB 1053 - Application of Tiers of Australian Account Standards	June 2010	1 July 2013	Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iv) AASB 2009 - 12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	December 2009	1 January 2011	Nil - The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB 8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (1)	Impact
(v) AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	December 2009	1 January 2013	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (ii) above).
(vi) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	1 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(vii) AASB 2010 - 4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]	June 2010	1 January 2011	Nil - The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.
(viii) AASB 2010 - 5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042].	October 2010	1 January 2011	Nil - The revisions embodied in this standard are largely editorial in nature or relate to standards not applicable to the Council and will have minimal effect (if any) on the accounting practices of the Council.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Title and Topic	Issued	Applicable ⁽ⁱ⁾	Impact
(ix)	AASB 2010 - 6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]	November 2010	1 July 2011	Nil - The revisions embodied in this standard amend disclosures required on transfers of financial assets. The Council is not expected to have any qualifying transfers.
(x)	AASB 2010 - 7 Amendments to Australian Accounting Standards arising from AASB 9 A (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	1 January 2013	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(xi)	AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]	December 2010	1 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of Council.
	AASB 2010 - 9 Amendments to Australian Accounting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]	December 2010	1 July 2011	

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable ⁽¹⁾	Impact
(xi) AASB 2009-14 Amendments to Australian Interpretations - Prepayments of a minimum Funding Requirement [AASB Interpretation 14]	December 2009	1 January 2011	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of Council.
AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]	December 2010	1 January 2013	

Notes:

(1) - 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 2011

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 became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 2009 - 5
AASB 2009 - 8
AASB 2009 - 10
AASB 2009 - 13
AASB 2010 - 1
AASB 2010 - 3

Interpretation 19

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

2. REVENUES AND EXPENSES

2011
\$

2010
\$

(a) Net Result

The Net Result includes:

(i) Charging as an Expense:

Auditors Remuneration

- Audit	11,813	15,080
- Other Services	2,750	1,400

Depreciation

Buildings	297,023	297,280
Furniture and Equipment	230,333	227,456
Plant and Equipment	287,920	261,903
Infrastructure Other	493,386	394,795
Infrastructure Roads	772,930	728,573
Correction to Accumulated Depreciation	0	-1,438
	<u>2,081,592</u>	<u>1,908,569</u>

Interest Expenses (Finance Costs)

Finance Lease Charges	0	0
Debentures (refer Note 23(a))	43,059	46,456
	<u>43,059</u>	<u>46,456</u>

Rental Charges

- Operating Leases	0	6,659
	<u>0</u>	<u>6,659</u>

(ii) Crediting as Revenue:

2011
\$

2011
Budget
\$

2010
\$

Interest Earnings

Investments			
- Reserve Funds	140,298	85,764	76,261
- Other Funds	63,189	23,000	53,415
Other Interest Revenue (refer note 28)	82,271	12,000	30,091
	<u>285,758</u>	<u>120,764</u>	<u>159,767</u>

Grants & Subsidies

Early receivable of Financial Assistance Grant from WA Grants Commission.	<u>429,494</u>	<u>0</u>	<u>403,836</u>
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SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

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 Plan for the years 2007-2012. The Strategic Plan outlines the Shires' vision and key strategic objectives.

SHIRE VISION:

To support and develop a vibrant, welcoming community that embraces its past, values its present and plans for a sustainable future.

The Shires' key strategic objectives are:

SUSTAINABILITY

Driving Statement: To undertake those projects which will provide the greatest return to the community whilst recognising the limited resources available to the organisation.

GOVERNANCE

Driving Statement: Our commitment to honesty, integrity and accountability.

COMMUNICATION

Driving Statement: To deliver ownership to our community.

SOCIO-ECONOMIC DEVELOPMENT

Driving Statement: To improve our quality of life by encouraging growth and ensuring a progressive, enjoyable place to live and work.

ENVIRONMENT AND HERITAGE

Driving Statement: To achieve balanced outcomes with respect to our environment and heritage, both natural and built.

GOVERNANCE

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

GENERAL PURPOSE FUNDING

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

LAW, ORDER, PUBLIC SAFETY

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

HEALTH

Maternal and Infant Health, preventative services and environmental health.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

EDUCATION AND WELFARE

To support and maintain education and aged and disabled care.

HOUSING

The provision of housing to staff members and aged persons.

COMMUNITY AMENITIES

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

RECREATION AND CULTURE

The provision and maintenance of recreational and cultural facilities.

TRANSPORT

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

ECONOMIC SERVICES

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

OTHER PROPERTY & SERVICES

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

2. REVENUES AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/Activity	Opening Balance (1) 1/7/09	Received (2) 2009/10	Expended (3) 2009/10	Closing Balance (1) 30/06/2010	Received (2) 2010/11	Expended (3) 2010/11	Closing Balance 30/06/2011
		\$	\$	\$	\$	\$	\$	\$
Landcorp - Marina Grant	Transport	328,768	9,256		338,024	14,124		352,148
Tourism WA - Vlamingh Head Lighthouse	Economic Services	1,894		(1,894)	0			0
Marina Breakwater NavAid	Recreation & Culture	20,829	586		21,415	895		22,310
DEC Contribution Flood Damage	Transport	20,822	586		21,408	895		22,303
Lighthouse Site Development Plan	Economic Services	5,479		(5,479)	0			0
MIRWA Blackspot Reid St	Transport	46,154	1,299		47,453	1,386	(48,839)	0
DEC - Bushfire Mitigation Fund	Law, Order, Public Safety	22,673	638		23,311	2,765		26,076
Royalties for Regions - Townscape Works	Community Amenities	286,529		(286,529)	0			0
Royalties for Regions - Skate Park	Recreation & Culture	146,308		(49,438)	96,870	615	(97,485)	0
Royalties for Regions - Rec Centre Painting/Mtce	Recreation & Culture	45,302		(45,302)	0			0
Royalties for Regions - Townsite New Footpaths	Transport	49,444		(49,444)	0			0
Royalties for Regions - Bundegei Shade Shelters	Recreation & Culture	48,933		(48,933)	0			0
Royalties for Regions - Bundegei Toilets	Recreation & Culture	63,985		(63,985)	0			0
Royalties for Regions - Mtce Footpath/Kerbing	Transport	97,232		(97,232)	0			0
Royalties for Regions - Mtce Bundegei Car Park	Transport	16,002		(16,002)	0			0
Landcorp - Water Playground	Recreation & Culture		250,000		250,000	8,803		258,803
Forward Capital Planning Grant	Other Property & Services		35,000		35,000		(35,000)	0
Incentive Grant PCYC Youth	Economic Services		20,000		20,000		(20,000)	0
Dry Season Assistance Grant	Economic Services				0	10,000		10,000
Reid St Flood Mitigation Works	Transport				0	150,000		150,000
Revitalisation & Foreshore Development	Community Amenities				0	150,000	(70,156)	79,844
Joint Use EDHS Hard Courts	Recreation & Culture				0	350,760		350,760
Tantabiddi Boat Ramp	Recreation & Culture				0	20,000		20,000
TOTAL		1,200,354	317,365	(664,238)	853,481	710,243	(271,480)	1,292,244

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 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 2011

	2011	2010
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	1,131,856	1,031,928
Restricted - Reserves	4,937,183	3,415,730
	<u>6,069,039</u>	<u>4,447,658</u>

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

Community Interest Free Loans Reserve	160,528	154,089
Community Development Fund Reserve	17,607	16,902
Leave Reserve	85,164	81,748
Plant Reserve	587,648	659,463
Road Replacement Reserve	127,273	122,168
North McLeod St Dune Breakout	65,410	62,786
Waste Management Reserve	136,793	53,756
Public Open Space Reserve	268,955	258,168
Townscape Reserve	0	0
Swimming Pool Reserve	123,485	118,533
Shire Staff Housing Reserve	11,993	11,512
Airport Reserve	136,563	131,086
Airport Security Equipment Reserve	701,430	342,787
Tourism Bay (Dev Contrib) Reserve	0	0
Rehabilitation Reserve	338,469	207,508
Marina Village Asset Replace & Preservation Reserve	5,079	0
Building Infrastructure Preservation Reserve	45,712	0
Industrial Area Roads Reserve	26,724	25,653
Town Planning Scheme Reserve	10,159	0
Land Development Reserve	0	0
Unspent Grants & Contributions Reserve	1,292,244	853,481
Carried Over Projects Reserve	795,947	316,090
	<u>4,937,183</u>	<u>3,415,730</u>

4. INVESTMENTS

The Shire of Exmouth had no non bank financial instruments during 2010/11. 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 2011

	2011	2010
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	758,101	350,772
Sundry Debtors & Receivables	1,060,253	1,366,730
GST Receivable	0	0
Loans - Clubs/Institutions	10,541	16,929
	<u>1,828,895</u>	<u>1,734,431</u>
Non-Current		
Rates Outstanding - Pensioners	10,502	8,265
Loans - Clubs/Institutions	42,500	29,000
	<u>53,002</u>	<u>37,265</u>
6. INVENTORIES		
Current		
Fuel and Materials	41,690	29,466
	<u>41,690</u>	<u>29,466</u>
7. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	12,741,033	12,741,033
Less Accumulated Depreciation	<u>(3,398,342)</u>	<u>(3,101,319)</u>
	9,342,691	9,639,714
Furniture and Equipment - Cost	1,534,376	1,410,863
Less Accumulated Depreciation	<u>(1,001,762)</u>	<u>(771,635)</u>
	532,614	639,228
Plant and Equipment - Cost	3,666,803	3,270,095
Less Accumulated Depreciation	<u>(1,876,182)</u>	<u>(1,874,844)</u>
	1,790,621	1,395,251
	<u>11,665,926</u>	<u>11,674,193</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Leased Plant & Equipment \$	Total \$
Balance as at 1 July 2010	9,639,714	639,228	1,395,251	0	11,674,193
Additions	0	124,508	818,846	0	943,354
(Disposals)	0	(789)	(135,556)	0	(136,345)
Revaluation - Increments	0	0	0	0	0
- (Decrements)	0	0	0	0	0
Impairment - (losses)	0	0	0	0	0
- reversals	0	0	0	0	0
Depreciation (Expense)	(297,023)	(230,333)	(287,920)	0	(815,276)
Other Movements					
Balance as at 30 June 2011	<u>9,342,691</u>	<u>532,614</u>	<u>1,790,621</u>	<u>0</u>	<u>11,665,926</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

	2011 \$	2010 \$
8. INFRASTRUCTURE		
Roads - Cost	27,370,484	26,565,295
Less Accumulated Depreciation	<u>(11,037,444)</u>	<u>(10,264,514)</u>
	16,333,040	16,300,781
Infrastructure Other - Cost	11,649,867	11,019,338
Less Accumulated Depreciation	<u>(2,799,684)</u>	<u>(2,306,297)</u>
	8,850,183	8,713,041
	<u>25,183,223</u>	<u>25,013,822</u>

Movements in Carrying Amounts

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

	Roads \$	Infrastructure Other \$	Total \$
Balance as at 1 July 2010	16,300,781	8,713,041	25,013,822
Additions	805,189	630,528	1,435,717
(Disposals)	0	0	0
Revaluation - Increments	0	0	0
- (Decrements)	0	0	0
Impairment - (losses)	0	0	0
- reversals	0	0	0
Depreciation (Expense)	(772,930)	(493,386)	(1,266,316)
Other Movements			
Balance as at 30 June 2011	<u>16,333,040</u>	<u>8,850,183</u>	<u>25,183,223</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

	2011 \$	2010 \$
9. OTHER NON CURRENT ASSET		
Works in Progress		
Town Centre Upgrade	3,123	11,289
Murat Road	19,828	20,817
Landscaping Marina	83,058	83,058
Multi Purpose Community Centre	0	101,174
Skate Park	0	71,008
Entry Footpath Admin Bldg	0	25,518
Computer Equipment	0	1,800
Road Sealing	0	2,500
WWII Heritage Drive Trail	0	1,622
Tantabiddi Boat Ramp	50,917	0
Library Shelving	1,227	0
Learmonth Airport Enclose Kiosk	36,840	0
	<u>194,993</u>	<u>318,786</u>
10. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	602,939	731,746
Accrued Expenses	230,380	238,267
Tax Payable	44,695	0
Rental Bonds	2,327	0
BCITF	7,145	0
BRB Levy	932	0
Accrued Salaries & Wages	0	0
	<u>888,418</u>	<u>970,013</u>
11. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	174,031	74,169
Lease Liability	0	0
	<u>174,031</u>	<u>74,169</u>
Non-Current		
Secured by Floating Charge		
Debentures	885,917	754,948
Lease Liability	0	0
	<u>885,917</u>	<u>754,948</u>

Additional detail on borrowings is provided in Note 23.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

	2011	2010
	\$	\$
12. PROVISIONS		
Current		
Provision for Annual Leave	274,014	268,291
Provision for Long Service Leave	146,116	122,892
Provision for Employee Gratuity	73,675	0
	<u>493,805</u>	<u>391,183</u>
Non-Current		
Provision for Long Service Leave	44,247	40,095
Provision for Employee Gratuity	0	67,713
	<u>44,247</u>	<u>107,808</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

	2011 \$	2011 Budget \$	2010 \$
13. RESERVES - CASH BACKED			
(a) Community Interest Free Loans Reserve			
Opening Balance	154,089	154,089	149,870
Amount Set Aside / Transfer to Reserve	6,439	6,164	4,219
Amount Used / Transfer from Reserve	0	0	0
	<u>160,528</u>	<u>160,253</u>	<u>154,089</u>
(b) Community Development Fund Reserve			
Opening Balance	16,902	16,902	16,439
Amount Set Aside / Transfer to Reserve	705	185,000	463
Amount Used / Transfer from Reserve	0	0	0
	<u>17,607</u>	<u>201,902</u>	<u>16,902</u>
(c) Leave Reserve			
Opening Balance	81,748	81,748	79,509
Amount Set Aside / Transfer to Reserve	3,416	3,270	2,239
Amount Used / Transfer from Reserve	0	0	0
	<u>85,164</u>	<u>85,018</u>	<u>81,748</u>
(d) Plant Reserve			
Opening Balance	659,463	894,463	412,843
Amount Set Aside / Transfer to Reserve	163,185	16,979	246,620
Amount Used / Transfer from Reserve	(235,000)	(235,000)	0
	<u>587,648</u>	<u>676,442</u>	<u>659,463</u>
(e) Road Replacement Reserve			
Opening Balance	122,168	122,168	118,823
Amount Set Aside / Transfer to Reserve	5,105	4,887	3,345
Amount Used / Transfer from Reserve	0	0	0
	<u>127,273</u>	<u>127,055</u>	<u>122,168</u>
(f) North McLeod St Dune Breakout Reserve			
Opening Balance	62,786	62,786	61,067
Amount Set Aside / Transfer to Reserve	2,624	2,511	1,719
Amount Used / Transfer from Reserve	0	0	0
	<u>65,410</u>	<u>65,297</u>	<u>62,786</u>
(g) Waste Management Reserve			
Opening Balance	53,756	53,756	52,454
Amount Set Aside / Transfer to Reserve	83,037	50,000	1,302
Amount Used / Transfer from Reserve	0	0	0
	<u>136,793</u>	<u>103,756</u>	<u>53,756</u>
(h) Public Open Space Reserve			
Opening Balance	258,168	258,168	44,050
Amount Set Aside / Transfer to Reserve	10,787	10,127	218,300
Amount Used / Transfer from Reserve	0	(5,000)	(4,182)
	<u>268,955</u>	<u>263,295</u>	<u>258,168</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

	2011 \$	2011 Budget \$	2010 \$
13. RESERVES - CASH BACKED			
(i) Townscape Reserve			
Opening Balance	0	0	175,343
Amount Set Aside / Transfer to Reserve	0	0	2,367
Amount Used / Transfer from Reserve	0	0	(177,710)
	<u>0</u>	<u>0</u>	<u>0</u>
(j) Swimming Pool Reserve			
Opening Balance	118,533	118,533	115,288
Amount Set Aside / Transfer to Reserve	4,952	9,741	3,245
Amount Used / Transfer from Reserve	0	0	0
	<u>123,485</u>	<u>128,274</u>	<u>118,533</u>
(k) Shire Staff Housing Reserve			
Opening Balance	11,512	11,512	11,196
Amount Set Aside / Transfer to Reserve	481	460	316
Amount Used / Transfer from Reserve	0	0	0
	<u>11,993</u>	<u>11,972</u>	<u>11,512</u>
(l) Airport Reserve			
Opening Balance	131,086	131,086	127,495
Amount Set Aside / Transfer to Reserve	5,477	5,243	3,591
Amount Used / Transfer from Reserve	0	0	0
	<u>136,563</u>	<u>136,329</u>	<u>131,086</u>
(m) Airport Security Equipment Reserve			
Opening Balance	342,787	342,786	25,042
Amount Set Aside / Transfer to Reserve	358,643	198,711	317,745
Amount Used / Transfer from Reserve	0	0	0
	<u>701,430</u>	<u>541,497</u>	<u>342,787</u>
(n) Tourism Bay (Dev Contrib) Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
(o) Rehabilitation Reserve			
Opening Balance	207,508	207,508	37,578
Amount Set Aside / Transfer to Reserve	133,161	18,900	169,930
Amount Used / Transfer from Reserve	(2,200)	(110,000)	0
	<u>338,469</u>	<u>116,408</u>	<u>207,508</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

	2011 \$	2011 Budget \$	2010 \$
13. RESERVES - CASH BACKED			
(p) Marina Village Asset Replace & Preservation Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	5,079	5,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>5,079</u>	<u>5,000</u>	<u>0</u>
(q) Building Infrastructure Preservation Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	45,712	45,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>45,712</u>	<u>45,000</u>	<u>0</u>
(r) Industrial Area Roads Reserve			
Opening Balance	25,653	25,653	24,949
Amount Set Aside / Transfer to Reserve	1,071	1,026	704
Amount Used / Transfer from Reserve	0	0	0
	<u>26,724</u>	<u>26,679</u>	<u>25,653</u>
(s) Town Planning Scheme Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	10,159	10,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>10,159</u>	<u>10,000</u>	<u>0</u>
(t) Land Development Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
(u) * Unspent Grants & Contributions Reserve			
Opening Balance	853,481	853,481	1,200,354
Amount Set Aside / Transfer to Reserve	644,857	10,875	332,137
Amount Used / Transfer from Reserve	(206,094)	(558,285)	(679,010)
	<u>1,292,244</u>	<u>306,071</u>	<u>853,481</u>
(v) **Carried Over Project Reserve			
Opening Balance	316,090	316,090	329,780
Amount Set Aside / Transfer to Reserve	588,766	1,868	17,337
Amount Used / Transfer from Reserve	(108,909)	(269,385)	(31,027)
	<u>795,947</u>	<u>48,573</u>	<u>316,090</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

13. RESERVES - CASH BACKED

SUMMARY	2011	2011 Budget	2010
	\$	\$	\$
Opening Balance	3,415,730	3,650,729	2,982,080
Amount Set Aside / Transfer to Reserve	2,073,656	585,764	1,325,579
Amount Used / Transfer from Reserve	(552,203)	(1,177,670)	(891,929)
TOTAL CASH BACKED RESERVES	4,937,183	3,058,823	3,415,730

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

	Balance 1 July 2010	Amount Trf to/from Reserve	Closing Balance 2011
	\$	\$	\$
* Summary of Unspent Grants & Contributions Reserve			
- Landcorp Marina Grant	338,024	14,124	352,148
- DEC Contribution Flood Damage	21,408	895	22,303
- Marina Breakwater/NavAid (07/08)	21,415	895	22,310
- MRWA Blackspot Reid St (08/09)	47,453	(47,453)	0
- DEC Bushfire Mitigation Fund	23,311	2,765	26,076
- Royalties for Regions Skate Park	96,870	(96,870)	0
- Landcorp - Water Playground	250,000	8,803	258,803
- Forward Capital Planning Grant	35,000	(35,000)	0
- Incentive Grant PCYC	20,000	(20,000)	0
- Dry Season Assistance Grant	0	10,000	10,000
- Reid St Flood Mitigation Works	0	150,000	150,000
- Revitalisation & Foreshore Development	0	79,844	79,844
- Joint Use EDHS Hard Courts	0	350,760	350,760
- Tantabiddi Boat Ramp	0	20,000	20,000
	<u>853,481</u>	<u>438,763</u>	<u>1,292,244</u>
** Summary of Carried Over Project Reserve			
- Smith Family - Lets Read	19,712	(19,712)	0
- Recreation Centre - Repaint	36,741	1,536	38,277
- Donations - WWII plaque	1,124	47	1,171
- Sewerage Farm	37,505	1,567	39,072
- WWII Heritage Trail / Shelter	77,781	(9,430)	68,351
- PACE Program C/O 07/08	12,981	542	13,523
- Footpath/Kerbing (C/O 07/08)	23,274	972	24,246
- Lighthouse Repaint (C/O 07/08)	21,346	892	22,238
- Valuation of Assets (C/O 07/08)	5,336	(5,336)	0
- Skate Park	15,423	(15,423)	0
- Canal Water Monitoring	56,367	62,355	118,722
- Donation Bundegi Shade	8,500	356	8,856
- Sanitation Computer Equipment	0	2,000	2,000
- Learmonth Airconditioning	0	148,872	148,872
- Computer Hardware/Software	0	139,492	139,492
- Enclosing Kiosk Learmonth Airport	0	71,077	71,077
- Footpath Stokes-Hughes Rd	0	50,050	50,050
- District Water Management	0	50,000	50,000
	<u>316,090</u>	<u>479,857</u>	<u>795,947</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

13. RESERVES - CASH BACKED

All of the cash backed reserve accounts are supported by money held in financial institutions or in separate investments and match the amounts shown as restricted cash and restricted investments in Notes 3 and 4 to this report.

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

Community Interest Free Loans Reserve

- to be used to fund major community development projects

Community Development Fund Reserve

- to be used to fund community development initiatives

Leave Reserve

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

Plant Reserve

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

Road Replacement Reserve

- to be used to fund major road replacement programs

North McLeod St Dune Breakout Reserve

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

Waste Management Reserve

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

Public Open Space Reserve

- to be used for the development of Public Open Space

Townscape Reserve

- to be used to fund townscape improvement projects

Swimming Pool Reserve

- to be used to fund Swimming Pool upgrades

Shire Staff Housing Reserve

- to be used to fund housing for Shire staff

Airport Reserve

- to be used to fund Airport capital and operating expenses

Airport Security Equipment Reserve

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

Tourism Bay (Dev Contrib) Reserve

- to be used to fund the provision of tourist information signage within the Shire of Exmouth

Rehabilitation Reserve

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

13. RESERVES - CASH BACKED

- Marina Village Asset Replace & Preservation Reserve
- to be used for the preservation and maintenance of infrastructure related to the Exmouth Marina Village
- Building Infrastructure Preservation Reserve
- to be used for the preservation and maintenance of building infrastructure within the Shire of Exmouth
- Industrial Area Roads Reserve
- to be used for the purpose of industrial Area Road Surface Preservation within the Shire of Exmouth
- Town Planning Scheme Reserve
- to be used for the purpose of funding a review of the future Town Planning Scheme
- Land Development Reserve
- to be used for the purpose of developing land in Exmouth
- Streetscape Reserve
- to be used for the purpose of Streetscape
- Unspent Grants & Contributions Reserve
- to be used for the purpose of containing funds that are derived from unspent or prepaid grants and contributions from external parties
- Carried Over Project Reserve
- to be used for the preservation of carried over projects funds

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

	2011 \$	2010 \$
14. RESERVES - ASSET REVALUATION		
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
(a) Roads		
Balance as at 1 July 2010	9,452,056	9,452,056
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2011	<u>9,452,056</u>	<u>9,452,056</u>
TOTAL ASSET REVALUATION RESERVES	<u><u>9,452,056</u></u>	<u><u>9,452,056</u></u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2011 \$	2011 Budget \$	2010 \$
Cash and Cash Equivalents	<u>6,069,039</u>	<u>2,132,879</u>	<u>4,447,659</u>

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

Net Result	1,592,854	3,219,505	2,394,263
Depreciation	2,081,592	1,995,386	1,908,569
Writedown in fair value of Investments	0	0	0
Impairment (Loss)/Reversal	0	0	0
(Profit)/Loss on Sale of Asset	36,672	44,664	(10,083)
(Increase)/Decrease in Receivables	(103,089)	75,029	(604,468)
(Increase)/Decrease in Inventories	(12,225)	(20,357)	163
Increase/(Decrease) in Payables	(81,595)	(47,185)	(207,713)
Increase/(Decrease) in Provisions	39,061	21,883	(57,673)
Grants/Contributions for the Development of Assets	(1,032,157)	(5,164,857)	(1,491,132)
Net Cash from Operating Activities	<u>2,521,113</u>	<u>124,068</u>	<u>1,931,926</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

	2011	2010
	\$	\$
15. NOTES TO THE STATEMENT OF CASH FLOWS		
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank Overdraft limit	400,000	400,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	36,000	36,000
Credit Card Balance at Balance Date	0	0
Total Amount of Credit Unused	<u>436,000</u>	<u>436,000</u>
Loan Facilities		
Loan Facilities - Current	174,031	74,169
Loan Facilities - Non-Current	885,917	754,948
Total Facilities in Use at Balance Date	<u>1,059,948</u>	<u>829,117</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>

16. CONTINGENT LIABILITIES/ASSETS

- (a) There were no known contingent liabilities as at 30 June 2011.
- (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.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

17. CAPITAL AND LEASING COMMITMENTS	2011 \$	2010 \$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	0	6,659
- later than one year but not later than five years	0	0
- later than five years	0	0
	<u>0</u>	<u>6,659</u>
(b) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	193,766	318,786
Payable:		
- not later than one year	<u>193,766</u>	<u>318,786</u>
The capital expenditure project outstanding at the end of the current reporting period represents		
Town Centre Upgrade	3,123	11,289
Murat Road	19,828	20,817
Landscaping Marina	83,058	83,058
Multi Purpose Community Centre	0	101,174
Skate Park	0	71,008
New Footpath Installation	0	25,518
Computer Equipment	0	1,800
Road Sealing	0	2,500
WWII Heritage Drive Trail	0	1,622
Tantabiddi Boat Ramp	50,917	0
Learmonth Airport Enclose Kiosk	36,840	0
	<u>193,766</u>	<u>318,786</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

18. JOINT VENTURE

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

	2011 \$	2010 \$
Non-Current Assets		
Land & Buildings	462,715	462,715
Less: Accumulated Depreciation	<u>(193,130)</u>	<u>(173,724)</u>
	<u>269,585</u>	<u>288,991</u>

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	43,306	32,902
General Purpose Funding	0	0
Law, Order, Public Safety	559,160	505,815
Health	77,814	62,260
Education and Welfare	783,327	807,675
Housing	2,973,326	3,050,422
Community Amenities	2,042,787	2,227,070
Recreation and Culture	4,795,584	4,463,299
Transport	21,818,526	22,070,060
Economic Services	1,441,943	1,469,003
Other Property and Services	2,313,412	1,999,511
Unallocated	<u>8,187,583</u>	<u>6,567,605</u>
	<u>45,036,768</u>	<u>43,255,621</u>

	2011	2010	2009
20. FINANCIAL RATIOS			
Current Ratio	2.04	2.07	1.65
Untied Cash to Trade Creditors Ratio	1.88	1.41	1.66
Debt Ratio	0.06	0.05	0.06
Debt Service Ratio	0.01	0.01	0.11
Gross Debt to Revenue Ratio	0.10	0.09	0.09
Gross Debt to Economically Realisable Assets Ratio	0.05	0.05	0.05
Rate Coverage Ratio	0.28	0.27	0.19
Outstanding Rates Ratio	0.28	0.14	0.06

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

20. FINANCIAL RATIOS

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Trade Creditors Ratio	$\frac{\text{Untied cash}}{\text{Unpaid trade creditors}}$
Debt Ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$
Debt Service Ratio	$\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{Gross debt}}{\text{Total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{Gross debt}}{\text{Economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{Net rate revenue}}{\text{Operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{Rates outstanding}}{\text{Rates collectable}}$

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

21. TRUST FUNDS

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

	Balance 1-Jul-10 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-11 \$
Hall & Rec Centre Bonds	6,365	6,286	(7,511)	5,140
Olma Funding	2,423			2,423
Forum Travel Fund	2,990			2,990
NADC	11,335			11,335
Council Nomination Fees	160		(80)	80
Cyclone Baptist Needy	2,800			2,800
Sundries	7,844	100	(100)	7,844
Buildings/Planning Bonds	83,900	1,000		84,900
Youth Affairs	1,401			1,401
APH Bonds	7,473	273	(250)	7,496
Aquafest	0			0
Jurabi Coastal Park	59,400			59,400
Community Visioning	0			0
Infant Aquatic Program	0			0
Unclaimed Monies	605	192	(605)	192
PACE Programs	620			620
Sub Division Clearance Bond	10,000		(5,000)	5,000
Staff Housing Bonds	0	200	(200)	0
Bond Deed Temporary Bund DP6425	0	108,000	(9,856)	98,144
RCG Planning	0	319,700	0	319,700
Pindan Pit Key Bond	50			50
	<u>197,366</u>	<u>435,751</u>	<u>(23,602)</u>	<u>609,515</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

22. DISPOSALS OF ASSETS - 2010/11 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 \$
Governance						
(AG115113) Ipad Cr Stewart	791	0	0		(791)	0
Law, Order, Public Safety						
(PESES1) L'Cruiser EX4606	0	0	0		0	0
(A095507) 08 Toyota L'Cruiser	0	8,001		1,500		(6,501)
Health						
06 Holden Comdore 160EX	0	7,046	0	5,000	0	(2,046)
Community Amenities						
(PTRK15) 04 Rubbish Truck	91,244	94,153	22,727	25,000	(68,517)	(69,153)
Transport						
(PVan02) 99 Mazda 1AJA507	8	252	1,818	5,000	1,810	4,748
(PUTE04) 03 Mitsub EX040	0	0	3,000	3,000	3,000	3,000
(A085402) 07 Toyota EX67	7,508	8,703	11,609	6,000	4,101	(2,703)
(A058401) 07 Toyota EX042	7,928	9,185	12,064	6,000	4,136	(3,185)
(PTRK04) Mitsub Truck EX4293	0	0	0	25,000	0	25,000
(E075403) 07 Mitsub Ute EX298	0	18,103	0	6,000	0	(12,103)
Economic Services						
(E169406) 06 Nissan 3004EX	1,927	2,883	14,364	15,000	12,437	12,117
Other Property & Services						
(A075402) 07 Mitsub 3EX	16,788	18,271	27,273	29,500	10,485	11,229
(A105402) 06 Holden 3006EX	10,151	10,067	6,818	5,000	(3,333)	(5,067)
	136,345	176,664	99,673	132,000	(36,672)	(44,664)

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

22. DISPOSALS OF ASSETS - 2010/11 FINANCIAL YEAR

The following assets were disposed of during the year.

By Class	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant & Equipment						
(PESES1) L'Cruiser EX4606	0	0	0		0	0
(A095507) 08 Toyota L'Cruiser	0	8,001		1,500		(6,501)
06 Holden Comdore 160EX	0	7,046	0	5,000	0	(2,046)
(PTRK15) 04 Rubbish Truck	91,244	94,153	22,727	25,000	(68,517)	(69,153)
(PVan02) 99 Mazda 1AJA507	8	252	1,818	5,000	1,810	4,748
(PUTE04) 03 Mitsub EX040	0	0	3,000	3,000	3,000	3,000
(A085402) 07 Toyota EX67	7,508	8,703	11,609	6,000	4,101	(2,703)
(A058401) 07 Toyota EX042	7,928	9,185	12,064	6,000	4,136	(3,185)
(PTRK04) Mitsub Truck EX4293	0	0	0	25,000	0	25,000
(E075403) 07 Mitsub Ute EX298	0	18,103	0	6,000	0	(12,103)
(E169406) 06 Nissan 3004EX	1,927	2,883	14,364	15,000	12,437	12,117
(A075402) 07 Mitsub 3EX	16,788	18,271	27,273	29,500	10,485	11,229
(A105402) 06 Holden 3006EX	10,151	10,067	6,818	5,000	(3,333)	(5,067)
Furniture & Equipment						
(AG115113) Ipad Cr Stewart	791	0	0		(791)	0
	136,345	176,664	99,673	132,000	(36,672)	(44,664)

Summary

Profit on Asset Disposal
Loss on Asset Disposal

\$
35,969
(72,641)
<u>(36,672)</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

23. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-10 \$	New Loans \$	Principal Repayments		Principal Outstanding 30-Jun-11		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
Loan 77 - Skip Jack Circle Land	348,956		30,708	30,708	318,248	318,248	19,504	19,288
Community Amenities		305,000	-	-	305,000	305,000	-	-
Loan 79 - Rubbish Truck	-	305,000	-	-	305,000	305,000	-	-
Recreation & Culture								
Loan 74 - Waste Water Re-Use	20,000		10,000	10,000	10,000	10,000	-	-
Loan 78 - Shire Hall - Airconditioning	30,690		9,756	9,756	20,934	20,934	1,360	1,338
Other Properties & Services								
Loan 75 - Office Extensions	47,645		10,812	10,812	36,833	36,833	2,874	2,875
Loan 76 - 1 Bennett St Exmouth	381,824		12,893	12,893	368,931	368,931	19,321	19,084
	829,115	305,000	74,169	74,169	1,059,946	1,059,946	43,059	42,585

All debenture repayments are financed by general purpose revenue

(b) New Debentures - 2010/11

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Community Amenities										
New Loan - Rubbish Truck	305,000	305,000	WA Treasury	Debenture	3	27,369	5.39	305,000	305,000	0

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

23. INFORMATION ON BORROWINGS

(c) Self Supporting Loans - Interest Free

Particulars	Principal 1/7/10	New Loans	Principal Repayments		Principal Outstanding	
			Actual \$	Budget \$	Actual \$	Budget \$
Recreation & Culture						
*Loan A011403 Golf Club	8,000		7,000	7,000	1,000	1,000
*Loan A011406 Bowling Club	18,000		2,000	2,000	16,000	16,000
*Loan A011407 Gymnastics Club	2,041		500	2,041	1,541	-
*Loan A011413 Golf Club	12,000		-	6,000	12,000	6,000
*Loan A011416 Truscott Club	5,888		5,888	5,888	-	-
*Loan A017018 Squash Club	-	25,000	2,500	-	22,500	-
	45,929	25,000	17,888	22,929	53,041	23,000

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

(d) Unspent Debentures

Council had no unspent debenture funds as at 30 June 2011.

(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 2010 and 30 June 2011 was \$Nil.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

24. RATING INFORMATION - 2010/11 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$
Differential General Rate									
Gross Rental Value (GRV)									
Composite Development	0.0625	45	954,170	59,636	(126)	59,510	59,636		59,636
Industrial	0.0729	34	867,142	63,215	(286)	62,929	63,215		63,215
Light Industrial	0.0729	35	745,671	54,359		54,359	54,359		54,359
Marina	0.1060	363	7,486,350	793,553	3,911	797,464	792,175	12,000	804,175
Mixed Use	0.0729	70	1,745,273	127,230	(7,245)	119,985	127,230		127,230
Residential	0.0679	841	14,120,260	958,765	13,088	971,853	955,058	5,735	960,793
Residential Development	0.0570	4	86,560	4,934		4,934	4,935		4,935
Special Rural	0.0570	20	380,330	21,679	20	21,699	21,679		21,679
Special Use	0.0570	30	810,720	46,211	55	46,266	46,211		46,211
Strategic Industrial	0.0625	10	208,484	13,030		13,030	13,030		13,030
Tourist	0.0729	100	2,614,686	190,611	21,830	212,441	190,610		190,610
Town Centre	0.0729	65	3,073,700	224,073		224,073	224,073		224,073
Unimproved Value (UV)									
Aquaculture	0.1280	3	295,000	37,760		37,760	37,760		37,760
Mining	0.1303	16	178,946	23,317	7,047	30,364	23,317	150	23,467
Pastoral	0.0526	4	451,940	23,726	(10,811)	12,915	23,731		23,731
Rural	0.1280	0	0	0		0	0		0
Special Use	0.1280	0	0	0	28,721	28,721	0		0
Sub-Totals		1,640	34,019,232	2,642,099	56,204	2,698,303	2,637,019	17,885	2,654,904

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

24. RATING INFORMATION - 2010/11 FINANCIAL YEAR

RATE TYPE	Minimum \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$
Minimum Rates									
Gross Rental Value (GRV)									
Composite Development	597.00	0				0	0		0
Industrial	597.00	1	5,000	597		597	597		597
Light Industrial	597.00	0				0	0		0
Marina	785.00	0				0	785		785
Mixed Use	597.00	25	79,018	14,925	6,179	21,104	14,925		14,925
Residential	597.00	7	53,278	4,179	7,047	11,226	4,179		4,179
Residential Development	207.00	5	14,150	1,035		1,035	1,242		1,242
Special Rural	597.00	1	9,100	597		597	597		597
Special Use	597.00	2	11,388	1,194		1,194	1,194		1,194
Strategic Industrial	597.00	0				0	0		0
Tourist	597.00	43	310,250	25,671	(10,746)	14,925	25,671		25,671
Town Centre	597.00	0				0	0		0
Unimproved Value (UV)									
Aquaculture	543.00					0	0		0
Mining	207.00	11	7,028	2,277	132	2,409	2,277		2,277
Pastoral	435.00	1	5,000	435		435	435		435
Rural	435.00	0				0	0		0
Special Use	543.00	0				0	0		0
Sub-Totals		96	494,212	50,910	2,612	53,522	51,902	0	51,902
		1,736	34,513,444	2,693,009	58,816	2,751,825	2,688,921	17,885	2,706,806
Specified Area Rate (refer note 25)						27,403			27,316
Discounts/Concessions (refer note 27)						(23,654)			(23,654)
Totals						2,755,574			2,710,468

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

25. SPECIFIED AREA RATE - 2010/11 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Marina Specified Area	0.0062	GRV	3,457,082	27,426	27,316	27,426	27,316
				27,426	27,316	27,426	27,316

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 - 2010/11 FINANCIAL YEAR

Council did not charge a service charge in 2010/11.

27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2010/11 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Rates - A1332	Concession	80%	23,654	23,654

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

28. INTEREST CHARGES AND INSTALMENTS - 2010/11 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		82,271	10,000
Interest on Instalments Plan	5.50%		0	4,200
Charges on Instalment Plan		10.75	15,366	7,800
			<u>97,637</u>	<u>22,000</u>

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

Option 1 (Full Payment)

Full amount of rates and charges including arrears to be paid on or before 2 September 2010.

Option 2 (4 Instalments)

First instalment due 2 September 2010
 Second instalment due 2 November 2010
 Third instalment due 4 January 2011
 Fourth instalment due 4 March 2011

Option 3 (2 Instalments)

First instalment due 2 September 2010
 Second instalment due 4 January 2011

29. FEES & CHARGES	2011 \$	2010 \$
General Purpose Funding	21,206	31,584
Governance	0	41
Law, Order, Public Safety	17,139	18,455
Health	39,272	29,489
Education & Welfare	33,979	17,478
Housing	240,111	220,447
Community Amenities	817,839	961,724
Recreation & Culture	77,973	66,952
Transport	2,776,951	2,532,364
Economic Services	252,936	231,146
Other Property & Services	150,846	226,820
	<u>4,428,252</u>	<u>4,336,500</u>

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

30. GRANT REVENUE

	2011	2010
	\$	\$

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

By Nature or Type:

Operating Grants, Subsidies and Contributions	2,535,249	2,188,642
Non-Operating Grants, Subsidies and Contributions	1,032,157	1,491,132
	3,567,406	3,679,774

By Program:

General Purpose Funding	1,656,267	1,500,780
Governance	0	0
Law, Order, Public Sector	126,024	61,364
Health	0	0
Education & Welfare	0	18,060
Housing	0	0
Community Amenities	160,000	541,461
Recreation and Culture	849,760	399,773
Transport	692,136	598,155
Economic Services	67,580	448,065
Other Property & Services	15,638	112,116
	3,567,406	3,679,774

31. COUNCILLORS' REMUNERATION

	2011	2011	2010
	\$	Budget	\$
		\$	

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

President's Allowance	7,662	7,662	7,410
Deputy President's Allowance	1,915	1,915	1,856
Councillor Meeting Fees	35,883	37,040	34,768
Telecommunications Allowance	14,007	18,870	7,498
	59,467	65,487	51,532

32. EMPLOYEE NUMBERS

	2011	2010
--	------	------

The number of full-time equivalent employees at balance date

	54.6	54.8
--	------	------

33. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2010/11 financial year.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

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.

	2011	2011 Budget	2010
	\$	\$	\$
Operating Revenue			
Reimbursements	67,954	17,500	24,580
Fees - Landing	1,949,536	1,300,000	1,829,895
Fees - Security	675,937	370,000	620,151
Advertising	1,410	200	7,371
Leases & Rentals	50,886	57,900	40,523
Grants & Subsidies	0	0	0
	<u>2,745,723</u>	<u>1,745,600</u>	<u>2,522,520</u>
Operating Expenditure			
Employee Costs	(753,255)	(883,753)	(736,234)
Maintenance Expenses	(50,262)	(187,241)	(41,407)
Consultants	(71,369)	0	(18,225)
Rent	(107,802)	(101,335)	(74,277)
Utilities	(238,027)	(102,190)	(87,846)
Insurance	(48,148)	(49,544)	(42,447)
Security Costs	(34,899)	0	0
Contributions Bus Service	(32,410)	0	0
Audit/Inspection Fees	0	(9,600)	(4,800)
Agency Collection Fees	(8,647)	(7,200)	(8,015)
Depreciation	(313,885)	(307,157)	(307,053)
Other Expenditure	(286,406)	(350,272)	(208,428)
	<u>(1,945,110)</u>	<u>(1,998,292)</u>	<u>(1,528,732)</u>
Operating Surplus/(Deficit)	<u>800,613</u>	<u>(252,692)</u>	<u>993,788</u>
CAPITAL EXPENDITURE			
Furniture and Equipment	(21,548)	(185,000)	(2,277)
Infrastructure Other	0	0	0
Plant and Equipment	0	0	(7,718)
Transfer to/from Reserve	(364,120)	(203,955)	(321,336)
	<u>(385,668)</u>	<u>(388,955)</u>	<u>(331,331)</u>
TOTAL NET RESULT	<u>414,945</u>	<u>(641,647)</u>	<u>662,457</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

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	
	2011 \$	2010 \$	2011 \$	2010 \$
Financial Assets				
Cash and cash equivalents	6,069,039	4,447,658	6,069,039	4,447,658
Receivables	1,881,897	1,771,696	1,881,897	1,771,696
Financial assets at fair value through profit or loss	0	0	0	0
Available-for-sale financial assets				
Held-to-maturity investments	0	0	0	0
	<u>7,950,936</u>	<u>6,219,354</u>	<u>7,950,936</u>	<u>6,219,354</u>
Financial Liabilities				
Payables	888,418	970,013	888,418	970,013
Borrowings	1,059,948	829,117	1,059,948	829,116
	<u>1,948,366</u>	<u>1,799,130</u>	<u>1,948,366</u>	<u>1,799,129</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings, Held-to-Maturity Investments – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial Assets at Fair Value through profit and loss, Available for Sale Financial Assets – based on quoted market prices at the reporting date or independent valuation.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

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.

	30-Jun-11	30-Jun-10
	\$	\$
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	52,943	30,504
- Statement of Comprehensive Income	23,845	21,366

Notes:

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

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

(+) Maximum impact.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

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:

	30 June 2011	30 June 2010
Percentage of Rates and Annual Charges		
- Current	9%	70%
- Overdue	91%	30%
Percentage of Other Receivables		
- Current	82%	87%
- Overdue	18%	13%

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

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:

	<u>2011</u>					
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$	
Payables	888,418	0	0	888,418	888,418	
Borrowings	174,031	516,085	369,831	1,059,948	1,059,948	
	<u>1,062,449</u>	<u>516,085</u>	<u>369,831</u>	<u>2,254,102</u>	<u>1,948,366</u>	
						\$
	<u>2010</u>					
Payables	970,013	0	0	970,013	970,013	
Borrowings	74,169	324,838	430,109	1,151,342	829,116	
	<u>1,044,182</u>	<u>324,838</u>	<u>430,109</u>	<u>2,121,355</u>	<u>1,799,129</u>	

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2011

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 %
Year Ended 30 June 2011								
Borrowings								
Fixed Rate Debentures	(20,934)	(341,833)	(687,179)	(1,049,946)				5.32%
Weighted Average Effective Interest Rate	4.73	5.5	5.32					
Year Ended 30 June 2010								
Borrowings								
Fixed Rate Debentures		(78,335)	(730,780)	(809,115)				5.37%
Weighted Average Effective Interest Rate		5.74	5.33					



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 2011. The financial report comprises the Statement by Chief Executive Officer, Statement of Comprehensive Income, Statement of Financial Position, Statement of Change in Equity, Cash Flow Statement, 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.



We performed procedures to assess whether the substance of business transactions were accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the executive and management of the Shire of Exmouth.

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 2011 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.

Statutory Compliance

- a) We did not during the course of the audit, become aware of any instance where the Council did not comply with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.
- b) There were no material or significant adverse trends in financial position or financial management practices revealed during the course of our audit.
- c) We have obtained all necessary information and explanations in relation to our audit.
- d) Our audit procedures were all satisfactorily completed.

Dated the 18th day of November 2011 in Perth, Western Australia

Anderson Munro & Wyllie
ANDERSON MUNRO & WYLLIE
Chartered Accountants


BILLY-JOE THOMAS
Director