



Shire of
Essexmouth



Annual Report
2011/12

Shire of Exmouth
PO Box 21
Exmouth WA 6707
Ph: 08 9949 3000
Fax: 08 9949 3050
Email: shirex@exmouth.wa.gov.au
www.exmouth.wa.gov.au

Document Management

Version: V1
Status: Final
Date: 18 February 2013



CONTENTS

INTRODUCTION	3
THE SHIRE OF EXMOUTH IN FOCUS	4
STRATEGIC DIRECTIONS	5
SHIRE PRESIDENT'S REPORT	7
EXECUTIVE SERVICES	10
CORPORATE SERVICES	18
AVIATION SERVICES	22
COMMUNITY ENGAGEMENT	27
HEALTH & BUILDING	34
TOWN PLANNING	41
ENGINEERING SERVICES	50
STATUTORY REPORTS	58
FINANCIAL SERVICES	63

Introduction

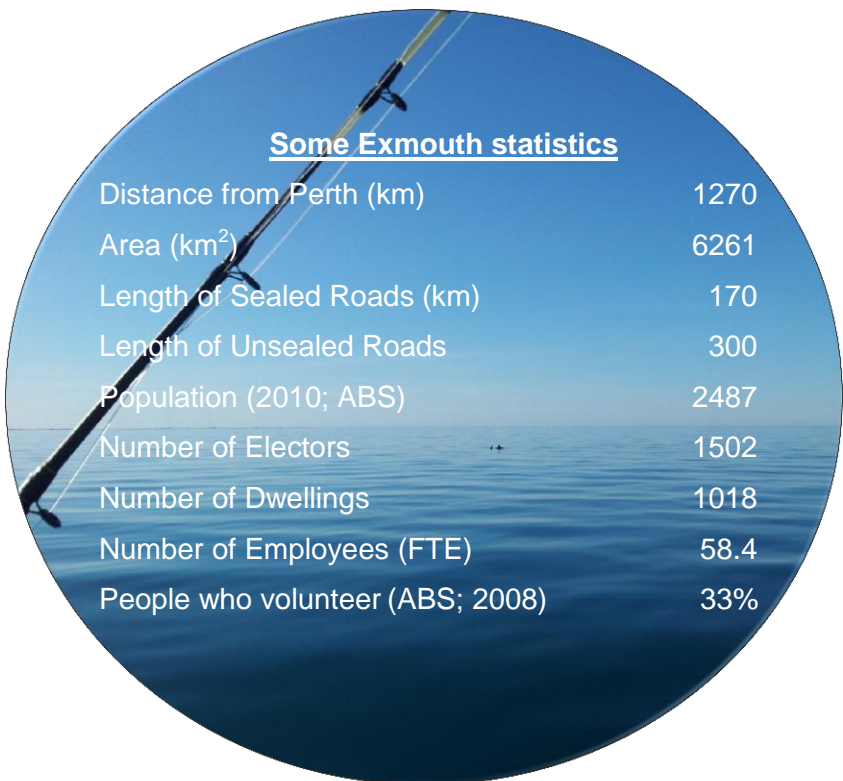
The Shire of Exmouth is an area of 6,261 square kilometres situated on the tip of the North West Cape in Western Australia 1,270 kilometres north of Perth. Our remote town was originally constructed in 1964 as a support town for the United States Naval Communications Station Harold E Holt. Although Exmouth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

The main local industries are fishing, tourism, pastoral, 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 Raytheon 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 World Heritage listed Ningaloo Reef and Cape Range National Park, the Shire of Exmouth, 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 650 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



The Shire of Exmouth in Focus

Shire Organisational and Management Structure

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

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

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



Cr C (Turk) Shales
Shire President



Cr S (Stuart) Fitzgerald
Deputy Shire President



Cr R (Ross)
Winzer



Cr G (Graham)
Thompson



Cr M (Mick)
Hood



Cr J (Jon)
Warren

The organisation employs 88 staff which equates to a 69.7 Full Time Equivalent, and is managed by:

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

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

Strategic Directions

Introduction

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

The Shire's Strategic Plan 2007-2012 and our new Strategic Community Plan which has recently been adopted 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 Objectives

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

Economic

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

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

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

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

Environment

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

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

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

Social

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

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

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

Civic Leadership

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

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

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



Shire President's Report

I am very pleased to present the 2011/2012 Annual Report for the Shire of Exmouth.

After just over one year at the helm, some hurdles were overcome and overshadowed by significant progress that has been made during the year. R4R's has once again been a welcomed funding source to improve our wellbeing.

Projects completed include the Tantabiddi Boat Ramp, Stage 1 of the Reid Street Flood Mitigation, and the Business Case for the CBD upgrade has been passed through Treasury and ready to go.

The Ningaloo Centre is a step closer to fruition as is the improvements to the Exmouth Boat Harbour.

By this time next year our new water park will be up and running in Federation Park and hopefully the pool improvements will closely follow.

The heliport is operating well above expectations and watch this space as we roll out projects to thank our friends in the oil and gas industry.

The High School Extensions and improvements including the new Hard Courts are now completed and looking in absolute splendour.

The hospital has received \$8 million dollars funding for improvements.

The Nimitz Street Subdivision of 320 lots will soon start with the first release of 50 lots.

My work with the Gascoyne Development Commission and the Gascoyne Revitalisation Steering Committee proved difficult at times but with mainly positive outcomes for Exmouth.



Planning is underway for the building of affordable housing in Exmouth of which land has been set aside already.

The foreshore in the next 6 months will get a face lift with rock armoured walls being built in front of the main town beach and the yacht club.

The Shire of Exmouth entered into the Posture Review with Australian Defence Force, waiving our flag for Defence to return to Exmouth. Our submission resulted in us being mentioned in the White Paper report. Hopefully the Federal Government will see us as the perfect place to

strengthen our defence in the North West of Australia.

Our old majestic lady, the Vlaming Head Lighthouse is turning 100 years old and what a celebration it will be. The restoration process is well under way and I can assure you all we will look after her for the next 100 years. The Council is planning interpretive signage depicting our history and will be a feature for all to see and read, 'Lest we forget'.

In finishing I would like to extend a big thank you to the Chief Executive Officer, Bill Price and all his managers and staff of the Shire of Exmouth, give yourselves a big pat on the back.

As for myself and my Councillors, we will all continue to work passionately for the good of all in Exmouth.



Cr C (Turk) Shales
Shire President



Executive Services

Chief Executive Officer

Bill Price

Executive Services Team

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

Brooke Shales– Executive Secretary

Strategic Planning

Governance

Policy

Organisational Development

Economic Development



Executive Services

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

The Council, I believe was again extremely pro-active during the 2011/12 financial year, undertaking a large cross-section of activities for the future sustainability and wider benefit of the Exmouth community.

The year under review has seen the Council's focus mainly being centred on extensive planning of major projects that will, once implemented have significant impact on the community well into the future.

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

Strategic Community Planning Process

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 2010/11 with the final adoption of the Plan being in this 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.

Population Growth Strategies

Council has an aspiration to double the existing permanent population to 5,000 within 10 to 15 year period to safeguard the future sustainability of the town. The Council have identified two strategies that will assist the community in achieving this goal including

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

State Infrastructure Projects

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

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

Ningaloo Centre Project

Progress has continued with the Ningaloo Centre Project. Council initiated an Expression of Interest (EOI) process for the Design and Construct of the Centre from interested builders with a total of 16 initial submissions being received. The Ningaloo Centre Management Committee (NCMC) reviewed the submissions, shortlisting the number to 5 being invited to provide a formal presentation on their concept. This list has again been shortlisted to a preferred final 2 who will be invited to provide a formal tender.

Once the adoption of the final plan has occurred this will allow the Council to proceed with formal Business Cases to various funding agencies and ultimately have the project spade ready by January 2014.



Exmouth CBD/Foreshore Revitalisation Project

During the year under review the Council through its Planning Department engaged the services of Hassell PTY LTD to undertake a master planning exercise for the CBD and Foreshore areas.

With an anticipated growth in the permanent population and the general urban spread of the townsite being concentrated to the South adjacent to the Canal development, Council felt that it is important for the existing CBD area to be retained as the main shopping precinct. The community's feedback during the consultation stage was that the 'Village Theme' be retained rather than a large shopping centre option. The CBD plan has not only addressed cosmetic improvements for the area but has also addressed future land uses and shop expansion opportunities that will service the community for many years to come.



Council intend to commence implementation of certain projects in the 2012/13 financial year. This will be an ongoing project for the Council over a number of years based on financial ability and the attraction of external developer opportunities.

Exmouth South Structure Plan

The Planning Department of Council has also been undertaking a planning exercise for the land uses of all land located South of the existing townsite. This has not been formally addressed before and with the anticipated growth and development opportunities expected in the area, Council have been keen to develop a structure plan that will best manage this permissible land use.

This plan will feed into the new Town Planning Scheme for Exmouth expected to be completed in 2013/14.

Affordable Housing Project

With the significant growth and the escalating cost of living in Exmouth, Council have recognised that Affordable Housing is becoming an increasing issue for the low income workforce.

Council have been facilitating an affordable housing option for Exmouth to be located on Council managed land in Lefroy Street. This land has the potential for at least 25 x 2 or 3 bedroom units to be constructed. Council have applied for funding assistance with the Department of Housing for an initial 20 units to be constructed in the year 2013. The units will be leased to qualified local business's that require the accommodation for their workers.

Major Projects

Major projects undertaken by the Council throughout the year included

- Tantabiddi Boat Ramp – including the installation of two new ramps with associated rock armouring and finger jetties. The project was completed under budget so the remaining funds will be utilised to construct new ablution facilities as well as a rework of the parking facilities at the site.
- Reid Street Flood Mitigation – Stage 1 of the flood mitigation works located on Reid Street was undertaken with stage 2 works to be undertaken upon the release of additional R4R funds.
- Learmonth Apron Extension – an extra 12500m² of sealed apron was installed at the Learmonth Civil terminal to accommodate the growth in air traffic at the site.

Learmonth Airport

A major undertaking of the Council during the year involved the acceptance of the operations of the Heliport from the 1st January 2012. This was a major undertaking particularly as the changeover was in the middle of the Cyclone season which places huge pressure on the operations during the de-manning and manning of the offshore rigs.

Council can proudly say that both the initial transition and general operations since have been handled extremely well to the overall satisfaction of the industry. The Learmonth operations provides the Council with long term financial sustainability and will provide the opportunity for new projects being funded that will have an enormous wider community benefit.

I would like to make special mention to Andrew Forte and his team for the achievements on this matter.





Looking Ahead

As can be determined above, Council has undertaken extensive planning that will provide a sound strategy for achieving the long term vision of the community. Looking forward Exmouth will see the roll out of significant projects as funding becomes available in the next couple of years.

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

Erin Wood – Administration Officer

Michelle Head – Administration Officer

Sharlene Williams – Administration Officer

Karen Holmes – Administration Officer

DurgaOjha – Senior Finance Officer

Sara Bailey – Finance Officer

Maureen Graham – Centrelink Officer

Jasmine Rohan – Centrelink Officer

Administration Services

Financial Services

Records Management & Information Systems

Insurance & Risk Management

Cemetery

Aged Care facilities

Centrelink Agency



Corporate Services

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 which includes Finance, Integrated Planning, IT, Telecommunications, Customer Service, Records Management and administration of Aged Persons Homes and Cemeteries.

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 (Contribution to Royal Show Display)	2,500
St Johns Ambulance	200
Exmouth District High School	2,500
Durack / TAFE Winner of Durack Award	100
Exmouth Golf Club	140
Exmouth Gun Club	3,049
Exmouth Swimming Club	1,542
Exmouth Tennis Club	578
Whaleshark Festival	135
Norwest Cape Exmouth Aboriginal Co	2,500
Exmouth Cultural Arts Centre Inc	2,530
Exmouth Senior Citizens	409
In Kind Works	12,419
TOTAL	28,602

Aged Care Facilities

Corporate Services manages 34 aged person units located at Stokes-Hughes Street Exmouth. These units are popular with an occupancy rate of 100% and Administration maintains a waiting list for prospective tenants. During 2011/12, 2 Units were vacated and these were filled immediately.

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.

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 2011.

Human Resources

As at 30 June 2012, the Shire has a workforce of approximately 88 staff (permanent full time and part-time, contract and casuals). During 2011/12 there were 15 resignations with a turnover rate of 20%.

In July 2011, the Shire's new All of Staff Collective Agreement was lodged and approved by Fair Work Australia and is valid for 3 years, expiring on 30 June 2014.

Information Systems

In December 2011 the Shire implemented a fully integrated software system, SynergySoft which encompasses Financial, Property-based and Corporate software. This now gives us an advantage to see related information already captured and managed via the Records Management Module that was purchased in July 2010.

Integrated Planning and Reporting

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

The Integrated Strategic Planning Process



Council is required to have developed and adopted two key documents by 30 June 2013: A Strategic Community Plan and a Corporate Business Plan supported and informed by resourcing and delivery strategies.

Our 10+ Year Strategic Community Plan was adopted by Council in November 2011 and it identifies the community's main priorities and expectations for the future by outlining strategies to achieve these goals.

Work is underway to deliver the informing strategies that are elements of the integrated planning framework; Workforce Plan, Asset Management Plan and Long Term Financial Plan.



Aviation Services

Executive Manager Aviation Services

Andrew Forte

Airport Team

Edward Boney	Airport Security Officer
Amanda Burbury	Heliport Check-in
Lorraine Dickings	Heliport Security Supervisor
Sara Dunny-Fox	Airport Reporting/Security Officer
Andrew Froome	Airport Reporting/Security Officer
Natasha Kelly	Heliport Check-in/Security
Julia Kernaghan	Airport Security Officer
Tim Lymon	Airport Manager
Allan Ladhams	Property Maintenance/Airport Security Officer
Neil Linthorne	Airport Reporting/Security Officer
Renata Miller	Airport Reporting/Security Officer
Jeffrey Nelson	Heliport RAMP Marshall
Tracey Neilson	Airport Reporting/Security Officer
PratimaOjha	Airport Security Officer
Clif O'Toole	Heliport Coordinator
Stephanie Price	Airport/Heliport Check-in/Security Officer
Cameron Regterschot	Heliport RAMP Handler
Jill Roberts	Airport Security Officer
Maryann Smidt	Heliport Security
William Smidt	Heliport Check-in/ RAMP Handler
Sherree Stevens	Airport Security Officer

Aerodrome Services

Heliport Services



Aviation Services

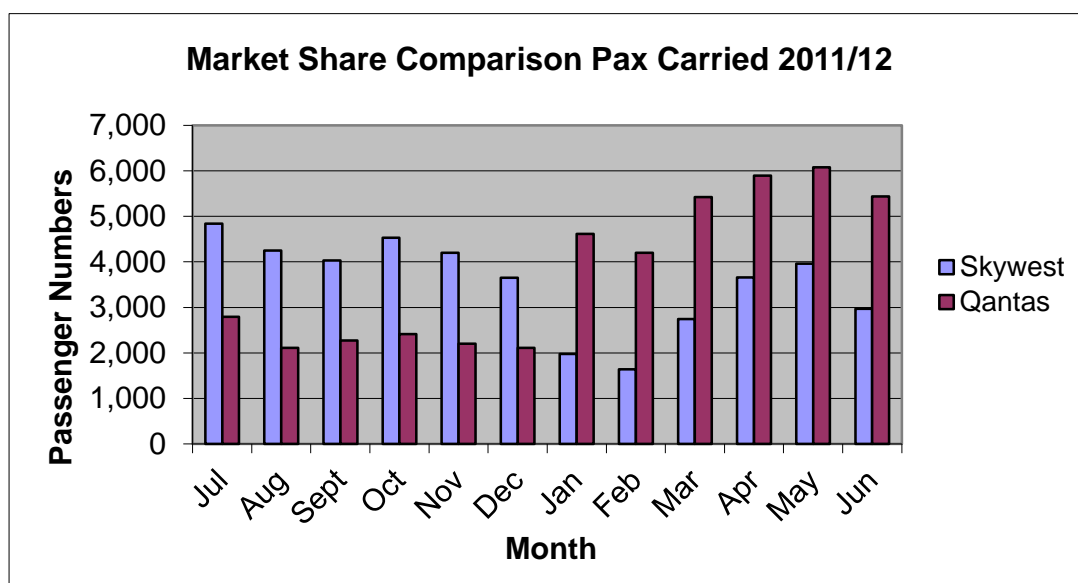
The newly formed Aviation Services Department commenced in September 2011 with the appointment of Andrew Forte as Executive Manager and covers the strategic, regulatory and operational requirements of Learmonth Airport and Exmouth Aerodrome (formerly known as Exmouth Light Aircraft Strip).

Since 1 January 2012, the Shire took on the operation and functions of the Learmonth Heliport in addition to the reporting officer duties, security screening and maintenance/cleaning duties that were previously performed by Airport staff.

Learmonth Airport

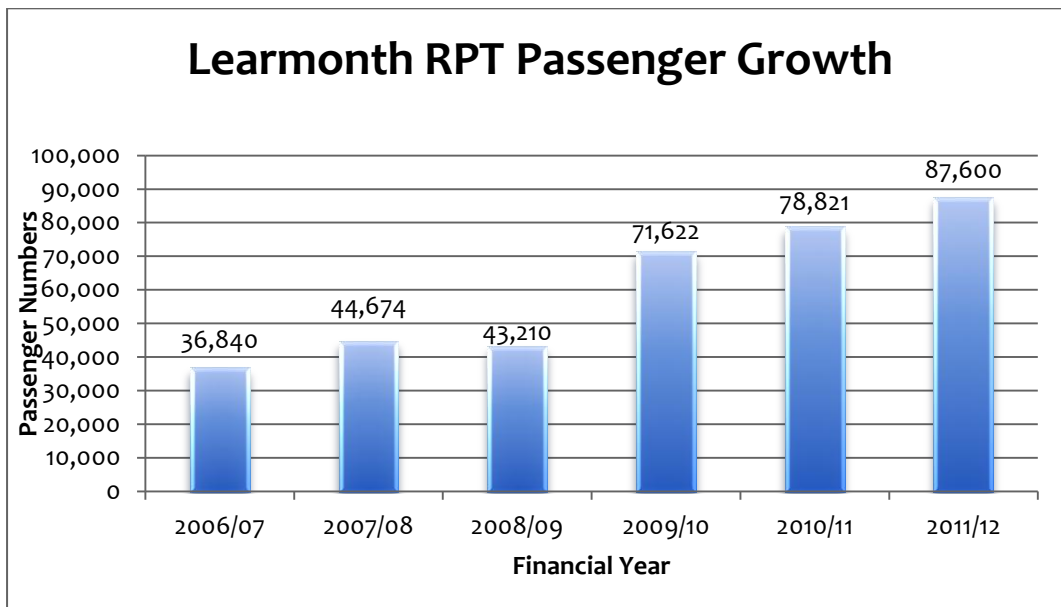
Airlines

This year saw an increase in Qantas services which, since 1 January 2012, now operates twice daily on weekdays and once a day on Saturday and Sunday using Q400 aircraft. Qantas now holds the market share of passengers into and out of Exmouth (around 60%).

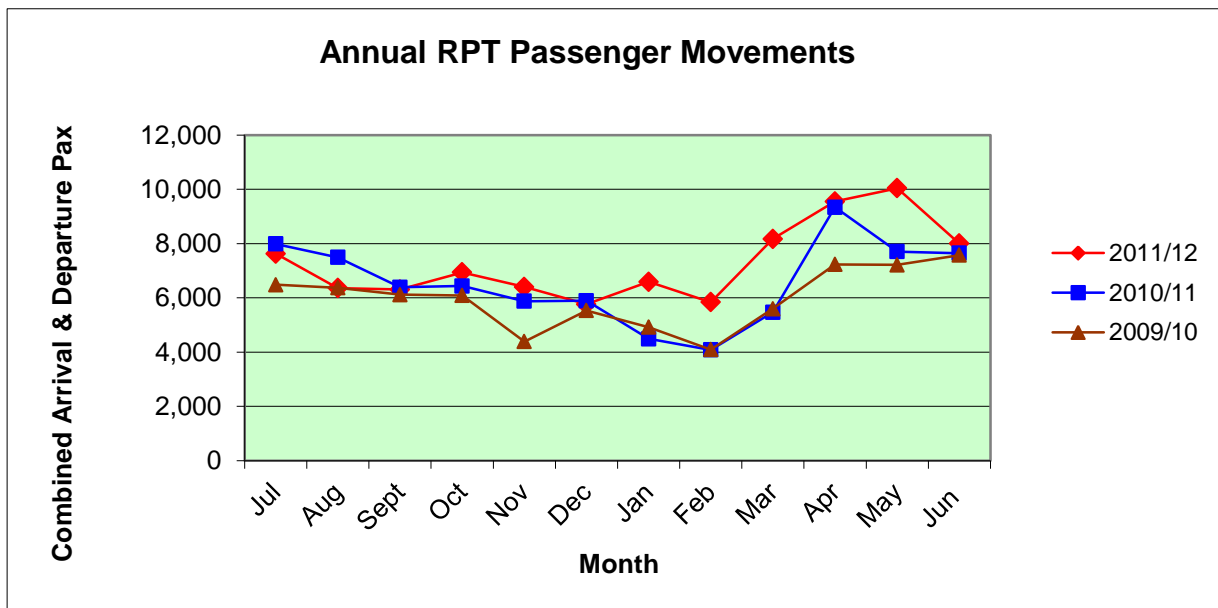


Skywest continues to offer daily flights and introduced a twice-weekly return flight to Paraburdoo in addition to Broome flights during the tourist season. The Paraburdoo flight is partially subsidised by Council by way of reduction on passenger and security levies. Skywest saw an initial drop in passenger numbers with the extension of Qantas services, however, passenger numbers have continued to improve.

Overall, passenger numbers are up 11% on the previous year with an additional 8,799 passengers passing through the terminal in the 2011/12 financial year.

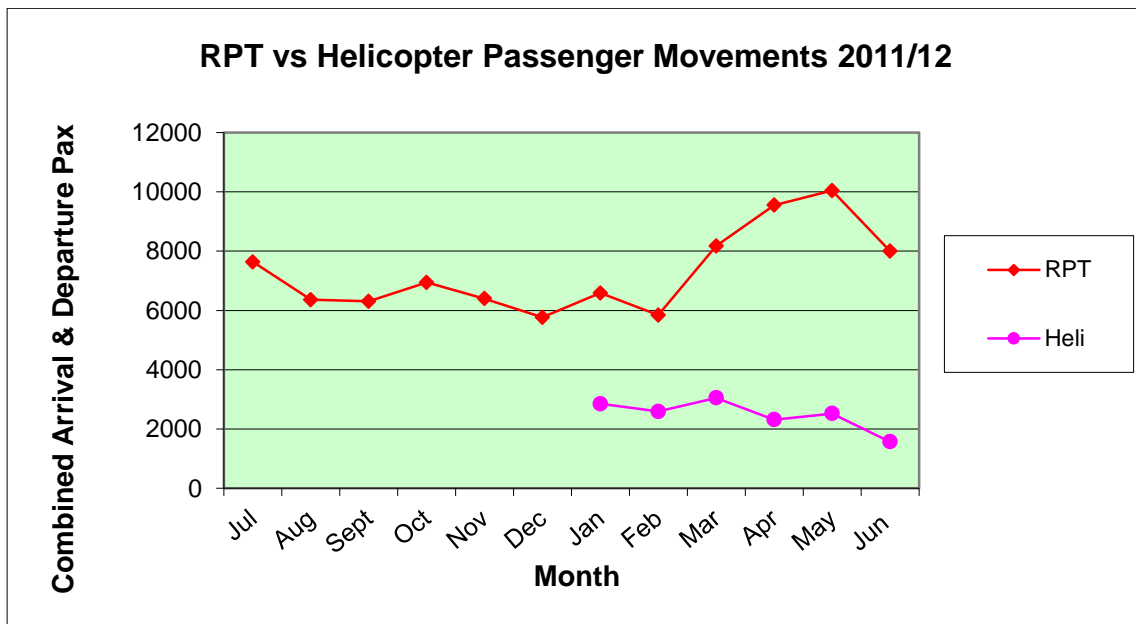


When comparing months, the 2nd half of the financial year has seen increased passenger movements each month, with May creating history with over 10,000 passengers for the month.



Heliport

The Shire commenced operation of the Heliport on 1 January 2012 after a number of months of training and preparation. Expenditure on the 2011/12 budget reflects start-up and operational costs due to commencement but these will be less in subsequent years with a focus on building and facility improvements.



Helicopter passengers averaged 29% of total RPT passenger numbers and helicopters account for around 65% of total aircraft movements at Learmonth, with the first 3 months of operations being some of the busiest for aircraft movements on record.

Projects

An extension of the apron was completed to provide additional helicopter parking bays and non-Regulated Public Transport parking to the South and North respectively. The Regional Airports Development Scheme contributed \$1,025,400 to these works with works being primarily performed by Shire works staff. New apron marking set-out with designated ground service equipment areas, enhanced general aviation parking and helicopter bays completed the works.



Redevelopment of the screening point to provide improved passenger flow has commenced with detailed design now complete. Quotations for construction have been called with works anticipated to commence in late 2012/early 2013.



Exmouth Aerodrome

Fees and charges were ratified at the 2012/13 budget to provide a consistent level of charges across both aerodromes. To assist in cost recovery, Avdata were engaged for fees & charges recovery of general aviation and ad-hoc aircraft movements. Council continues to undertake cost recovery for RPT & helicopter movements.

Works undertaken included grading of runway and roads and an investigation into the sustainability and suitability of the runway lighting system. This has resulted in the replacement of the system with solar lights which are in the process of being installed.

Looking forward

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

- Progressing the redevelopment of the screening point;
- Preparation of a Car Parking Master Plan;
- Further training and education of staff in screening, customer service and ground handling;
- Building/facility improvements for Heliport;
- Registration of Exmouth Aerodrome with the Civil Aviation Safety Authority;
- Preparation of a Master Plan for Exmouth Aerodrome; and
- Further development of Exmouth Aerodrome.

Community Engagement

Executive Manager Community Engagement

Rogé Kempe

Community Engagement Team

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

Community & Cultural Development

Library & Community Resource Centre

Youth and Seniors support

Tourism & Promotions

Disability support

Festivals & Events

Heritage

Grants



Community Engagement

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

In addition the department is responsible for part of the corporate communications and marketing through newsletters and press releases. The Department also contributes to the development of new community infrastructure.

Community Development

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

A new part-time Community Activities Officer position was created to assist in the delivery of community activities and major events.

National Volunteers week was again celebrated in recognition of those that volunteer for the Emergency Services, such as SES, St John's, Volunteer Fire Brigade; Sea Search & Rescue.

Culture and the Arts

Exmouth hosted a regional culture & arts workshop, in partnership with Country Arts WA, to address the Gascoyne Regional Arts Plan and to establish some key priorities and outcomes.



The Shire purchased a painting at the Art Exhibition held during NAIDOC Week with the aim to build up a small art collection over time to eventually find a place in the proposed Ningaloo Centre.

Support was provided for Art Quest 2011 and Artwear and *The Merger*, a comedy play.

Club Development

The Club Development Program of the Department of Sport & Recreation (DSR) is assisting Exmouth clubs for a 3 year period with Shire officers establishing stronger community networks and assisting clubs with governance issues and other.

A Gascoyne Club Volunteer Awards Night was held in Exmouth in early 2012 to acknowledge local and regional volunteers and various workshops were

delivered to Exmouth Clubs through the Annual Conference. Awards were presented by Ian Crawford and Peter Rowsthorn.

The Shire commenced participation in the newly established KidSport program to assist children from low income families with a financial contribution towards sport and recreation club fees.

Infant, Youth and Seniors Services

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

The Exmouth Youth Plan was finalised and incorporates extensive survey results and various recommendations for youth development in Exmouth. Three groups of young people commenced addressing their priority issues with officer support.

New banners for Maidstone Crescent were made through a community photo competition receiving 160 entries. The photos were on display during the Whaleshark Festival and a total of 8 banners displaying 16 different community photos were made.

School holiday programs offered a wide range of activities, including belly dancing, card making, fishing clinics, jewellery making and a bicycle rally. Popular also were grooming & department workshops, the clown making workshops, a dog show and the rock climbing wall.

Disability Services

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

Heritage

The WWII & Vlaming Head interpretive project progressed with the design and manufacturing of the interpretive panels. Installation at Vlaming Head, Potshot Memorial and Krait Memorial sites is expected next financial year.

ANZAC Day saw another great turnout by the Exmouth community. 70 years ago, Exmouth and the Northwest Cape became part of WWII, with the start of Operation Potshot in 1942. Exmouth also welcomed into our town and to the ANZAC day services, His Excellency, United States Ambassador to Australia Jeffrey Bleich.



Festivals and Events

The Shire organised, in partnership, various community events like NAIDOC week, Australia Day, ANZAC Day, Remembrance Day, Vietnam Veterans Day, the Virtual Rottneest Swim and the Exmouth Career Expo.



Family Fun Day reached an attendance of nearly 500 people at the pool for a range of activities for the younger members of the community, including a visit by the Lulu's; an educational children's show.

The Exmouth Health Expo was held with 160 people, including about 70 students, visiting the event which was organised in partnership the Exmouth Hospital.

Grants

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

Some of the grants and Sponsorships received by the

Shire for community facilities and programs were:

- Stay on your Feet week,
- Banner in Maidstone Crescent
- WWII and Vlaming Head Interpretive Sites Development,
- Gascoyne Youth Arts program – with Country Arts WA,
- Club Development Conference,
- Lantern and film making for the Lighthouse Centenary,
- Interpretive signage regarding our community's relation with water;
- "From Exmouth to Swan - Youth Cultural Exchange Program".

Communications & Promotions

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

Community Forums were held about major developments and programs in Exmouth. Third parties were also invited to deliver presentations and the Shire intends to continue with these Forums.

Various activities were undertaken to promote the Shire of Exmouth as a place to live and visit, including the production of a promotional video about Exmouth for Russell Goodrich's *Better Country Towns* which is available on the Shire of Exmouth website. A number of Exmouth promotional banners were designed and manufactured and new Exmouth bookmarks were designed for the Library.

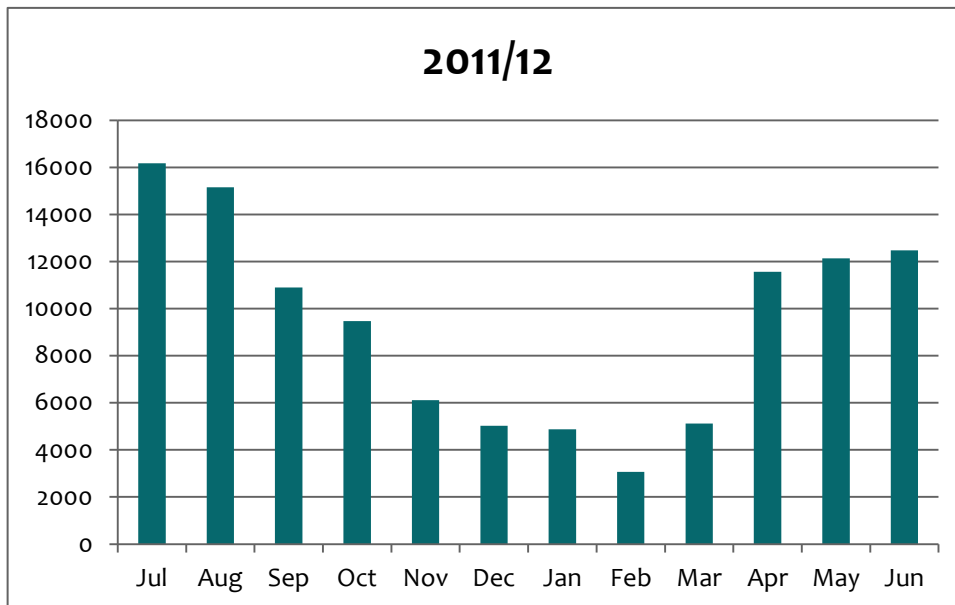
Community Facilities Planning

The development of a new Multi-Purpose Hard Court at the Exmouth District High School (EDHS) was finalised. The project is a partnership between the Shire, EDHS and the Department of Education & Training and provides after hours use for community sporting clubs, including basketball, netball, soccer and indoor-hockey opportunities.

Tourism

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

For the financial year 2011/2012 the Exmouth Visitor Centre had an annual door count of 112,091 people, about 10% less than the previous financial year.



Consultants conducted a review of the current operations and organisational structure of the Exmouth Visitor Centre and made recommendation about the preferred future of the Centre and the way the Shire of Exmouth can be involved. Implementation of recommendations is expected in the 2012/13 financial year.

Library and Community Resource Centre (CRC)

This year 21829 people made use of the Library and CRC facilities with 12,389 items being borrowed.

The Exmouth Public Library continues to deliver the *Better Beginnings Family Literacy* program to encourage the parents of young children (from birth to three years) to read to their children.

The library's weekly Story Rhyme & Craft Time program was delivered to up to 25 children plus parents.

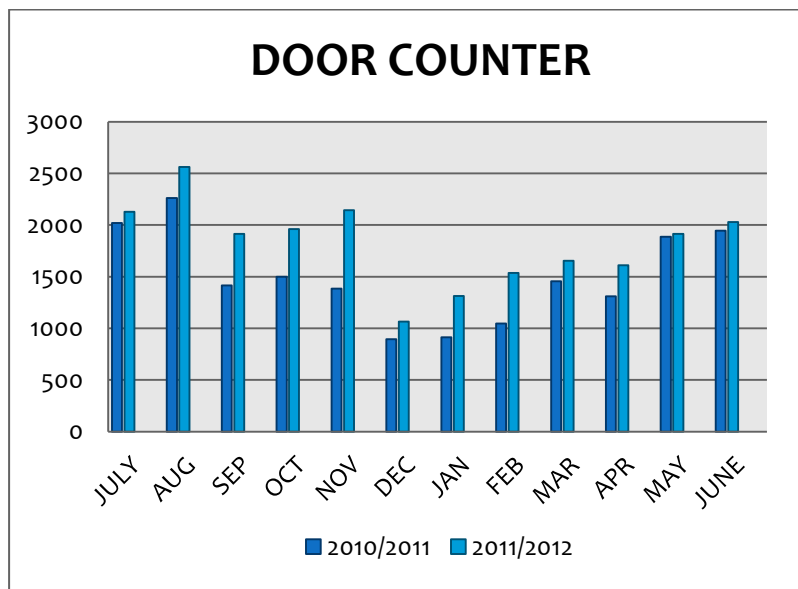
New shelving was installed which finalised the creation of a kid's corner with better access to reading materials.



The *Premier's Summer Reading Challenge* 2011/2012 encourages children from Kindergarten to Year 7 to read over the summer holidays and to visit the Public Library.

Better Beginnings story time was programmed for the annual Festival of Trees and Library staff visited the School in the company of Children's Author Dianne Wolfer for reading sessions as part of *Children's Book Week*. The school was also visited by officers for a "Reading Party".

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



There has been a steady growth in Library users in the past 4 years. The introduction of BetterBeginnings story time, the book exchange, children's corner upgrade, the free use of computers for school projects and research plus a bright and user friendly arrangement of items for loan have all contributed to this increase.

Looking forward

The Vlaming 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 WWII & Vlaming Head interpretive signage will be installed and assist in community members and visitors gaining better understanding of the Exmouth region and its rich history.



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

The Shire Hall will be assessed on its practicalities and opportunities for improved use for cultural and artistic activities. A report will assist in identifying these opportunities for future implementation whilst ensuring that the Hall can remain the main cyclone shelter for town.

The Tourism area will see a review of the current partnership between the Shire of Exmouth and the Exmouth Visitor Centre Marketing Committee. It is anticipated that the Shire will provide future support to an industry run Exmouth Visitor Centre. The Shire will continue its contributions to the National Landscape program and promotion of Exmouth as a place to live and visit.

Health & Building

Executive Manager Health & Building

Rob Manning

Health & Building Team

Patrick Barber – Environmental Health Officer

Joshua Koontz – Swimming Pool Manager

Kristy Wadley – Assistant Swimming Pool Manager / Water Sampling Officer

Bronwyn Giles – Life Guard / Casual Assistant Swimming Pool Manager

Talitha North – Life Guard (Resigned Jan 2011)

Krystal Keynes- Life Guard

Donna Koontz – Life Guard

Kirra De Jong - Life Guard

Steve Foster – Building Surveyor

Building Services

Environmental Health Services

Swimming Pool

Waste Management and Recycling

Occupational, Health & Safety



Health & Building

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

Environmental Health

At times throughout the year Council's Environmental Health Department operated without the full complement of staff resources however their role in assisting the community to maintain a high standard of public health and prevention of illness was maintained by continuing to complete a vast range of inspection and monitoring programmes. Environmental Health Officers also made regular contributions to the Shire Newsletter, local media and continued promoting recycling in the community by engaging with local sporting clubs, not-for-profit (NFP) groups and the Exmouth District High School. This public/community engagement approach was aimed at promoting environmental health and wellness awareness amongst the community and it is intended that this will continue and where possible be expanded.



In 2011/2012 access to 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 basic training that may assist to meet 'adequate knowledge and skills in food safety' as required under the Food Safety Standards. The free interactive training continues to be utilised not only by food businesses but also by, sporting clubs/NFP groups engaging in food stalls for fund raising and members of the general public concerned about food safety in their home. Participants received a certificate on completion. Over 270 people have utilised this service since

the Shire first made it available back in November 2010.

Officers worked closely with organisers of various festivals and public events to ensure that reasonable and practicable care was taken to ensure the health and safety of patrons/participants at such 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. Fortunately there was very little mosquito borne disease activity in the Exmouth district this year.

Following instruction from the Applied Environmental Health Division of the Department of Health (correspondence of May 2010), Officers have been communicating with operators of holiday accommodation from residential properties that have swimming pools to ensure that they are aware of their obligations under the Health (Aquatic Facilities) Regulations 2007.

Waste Management and Recycling

Waste Management

The Environmental Health Department and Engineering Services devoted considerable resources throughout the year to more thoroughly implement the aims and objectives of the Qualing Scarp Waste Disposal Site Landfill Environmental Management Plan. This was mostly achieved by the formal implementation of the opening hours and closing hours and providing staff to man the waste site check point at all opening times.

In addition to the above the entry to the waste site was re-designed to encourage better waste separation by users which has now facilitated greater resource recovery, re-use and recycling of the materials entering the site.

During this period, with the assistance of an R4R grant for Renewable Energy Initiatives, the tip site office was equipped with a hybrid solar power & battery/generator back-up power system.

Recycling

The aluminium can recycling program underwent a significant over-haul this year as the fortnightly kerbside collection proved to be too onerous for the volunteer groups collecting the cans. The program provides an opportunity for clubs/community groups to benefit financially from their members volunteering to collect the cans.

The Exmouth Squash Club Inc was the last club to provide the full fortnightly kerbside collection service. Once it became evident that the kerbside service was too much for the limited volunteers available within each club, the service was rationalised to a public place drop-off program only without a structured kerbside service. This new model has proved to be a great success with the local C.A.R.E. Group providing a great service to the residents, visitors and businesses of Exmouth, all the while generating an income to help fund the fantastic work that they do for the local native wildlife.

Approximately 3 tonnes of aluminium cans were collected, processed and freighted out of town for recycling during this period.



The *Household/Domestic Battery Recycling Program* was continued again this year. This program aims to significantly reduce domestic batteries from entering landfill. Drop-off points are located at the Shire administration building and Exmouth District High School (EDHS). The program continues to receive great support from the school where an inter-classroom competition is run for the most weight of batteries recycled by each class. To boost enthusiasm the Executive Manager of Health & Building issues certificates of achievement each semester to the students of the winning class and a major prize at the end of the school year for the overall class winner, the prize being a free session for the children on the Aqua-Run at the Paltridge Memorial Swimming Pool.

One and a half 44Gal drums were filled with domestic batteries since the program commenced in May 2011. Once the second drum is filled they will both be transported to Perth where the batteries will be sent away for recycling.

In addition to the EDHS participating in the Battery Recycling in Schools Program the school and the Shire’s Environmental Health Department have also been working together to collect mobile phones and accessories for recycling via the **YouthCancer** Campaign. Collection boxes are located at the Shire’s administration building and the EDHS admin office. In addition to helping provide a better future for young Australians with cancer, this program can also provide some great rewards for the school - for more information visit: www.youcan.org.au;

Paltridge Memorial Swimming Pool

The annual attendance figures for Paltridge Memorial Swimming Pool continue to show the importance of the facility to the community with attendance records over the past three years showing steady growth.

Season	2009/10	2010/11	2011/12
Attendance	26,117	27,159	27,417

Considering that the pool is only open 204 days of the year, the above equates to an average attendance of 134 people per day. It should be noted that the above figures do not include the year-round usage of the facility by the local dive companies for SCUBA instruction.

Early 2012 a design consultant was appointed to prepare concept plans for the redevelopment of Paltridge Memorial Swimming Pool and for a new Water Sprayground to be located in Federation Park. There was extensive consultation with the community and stakeholders in March when the design consultant was in town. Since the above visit there has been ongoing consultation with the Council and the Exmouth Amateur Swimming Club.

This process will be finalised in the later part of 2012 and is an important first step in the process of planning for the future redevelopment of the swimming pool facility. The Water Sprayground is planned to be constructed by June 2013 as a subproject of the Town Centre Revitalisation Project.

Once the concept plans for the pool are finalised, Council officers will be using the plans to accompany grant funding applications to try and secure the \$5-6Mil necessary to redevelop the Paltridge Memorial Swimming Pool. It is hoped that the pool redevelopment can occur within the next 3-4 years to ensure that the facilities at the pool will be adequate for the demand of the continued growth in pool usage as seen over the past few years.



Some of the significant events that took place throughout the 2011/2012 pool season include the following:-

- A Family Fun Day on the 19th of November combined with the launch of Dive In Movies featuring the new equipment purchased from a Chevron Grant of \$5,000.00. The total attendance to these two events was 522 people.
 - Dive In Movies continued to run throughout the season with a movie being screened on average once per month with around 60 people attending each viewing.
 - The Pilbara Swimming Championships were hosted at the pool on the weekend of the 26th- 27th November 2011. This event saw 461 people through the gate on the Saturday and 496 people on Sunday. Nine teams came to Exmouth from throughout the Pilbara, Kimberley and Gascoyne regions with a total 120 competitors.
 - A SIDS Swim for the Kids swimming fund raising event for all ages and swimming abilities was held on the 31st of March. There were 4 teams participating totalling 17 swimmers of all ages who raised a combined total of \$3,840.00 for research into Sudden Infant Death Syndrome.



Occupational Safety and Health (OSH)

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

Services (LGIS) to provide expert OSH consultation to the Gascoyne Shires continued for this period. LGIS have assisted the committee with a large range of OSH compliance matters and continue to be a great resource.

Building

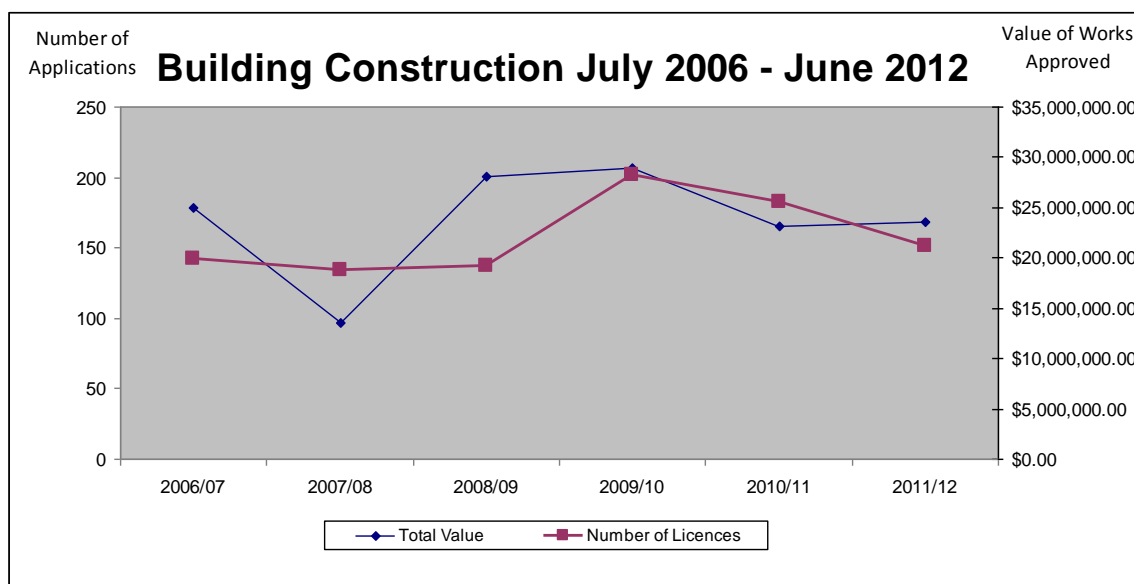
During this period the Building industry in WA went through one of the most significant changes since the Building Code of Australia was introduced in 1988. This change was the introduction of the new Building Act 2011 and Building Regulations 2012 which paved the way for private Building Surveyor certification of Building Permit Applications.

The new statutory framework brought about a fundamental change in the processes and procedures involved in leading up to, obtaining and the closing out of Building Permits. The transition to the new system was not without some teething problems throughout the State. However, the Shire of Exmouth's Building Department managed to make the transition without any increase in processing times or major issues.

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

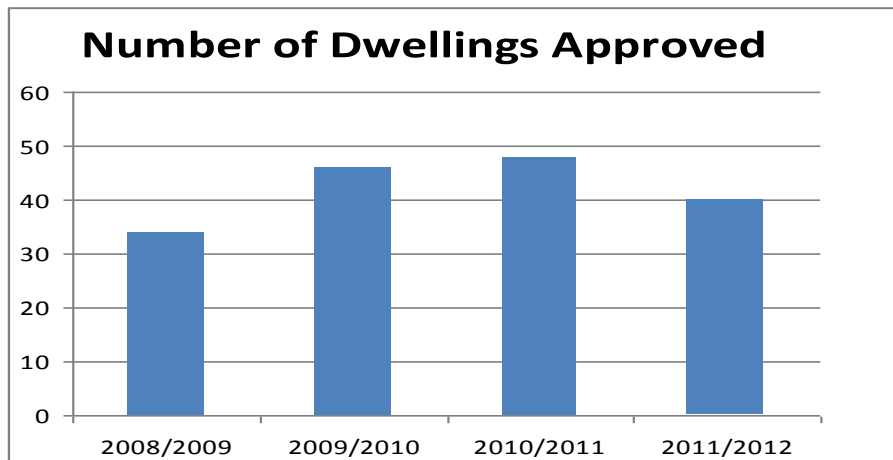
Another significant activity for the period has been the pursuit of compliance with a number of notices served on neglected buildings within a short term accommodation development, requiring them to be removed. Six of the 11 accommodation units were removed in this period. Legal processes are ongoing for the removal of the final 5 units.

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



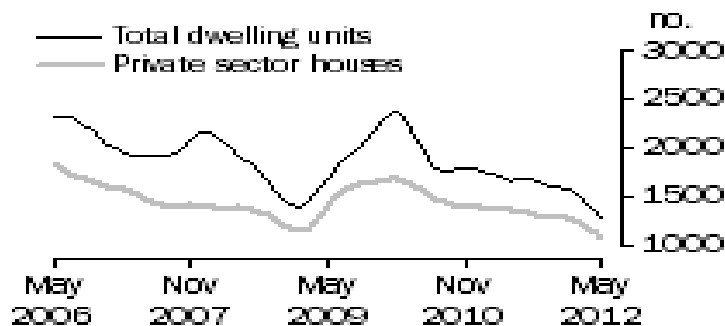
Building License/Permit statistics for the past 6 financial years

Another interesting statistic is the number of dwellings approved over recent years. Over the past four respective financial years; 34, 46, 48 and 40 building licenses/permits were issued for the construction of new dwellings. This is illustrated in the chart below.



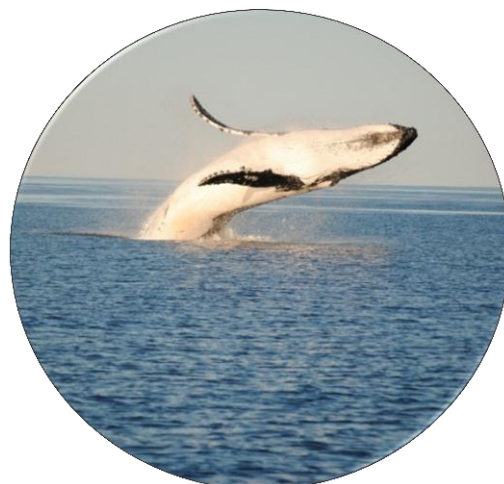
The construction of new homes within the Exmouth Marina Village and the Mortis St subdivision has continued to add to the above statistics.

Whilst there may have been a levelling in the number of dwellings approved in Exmouth over the last 18 months, a comparison of dwelling approvals throughout WA (see chart below), demonstrates that the number of new dwellings approved in Exmouth has remained relatively constant over the past four years by comparison to the WA statistics.



ABS Website: Dwellings approved for construction in WA

Given the current trends, pending new land releases by LandCorp and the interest in Exmouth from the mining and resources sectors, the short and longer term prospects are looking very positive for growth in Exmouth.



Town Planning

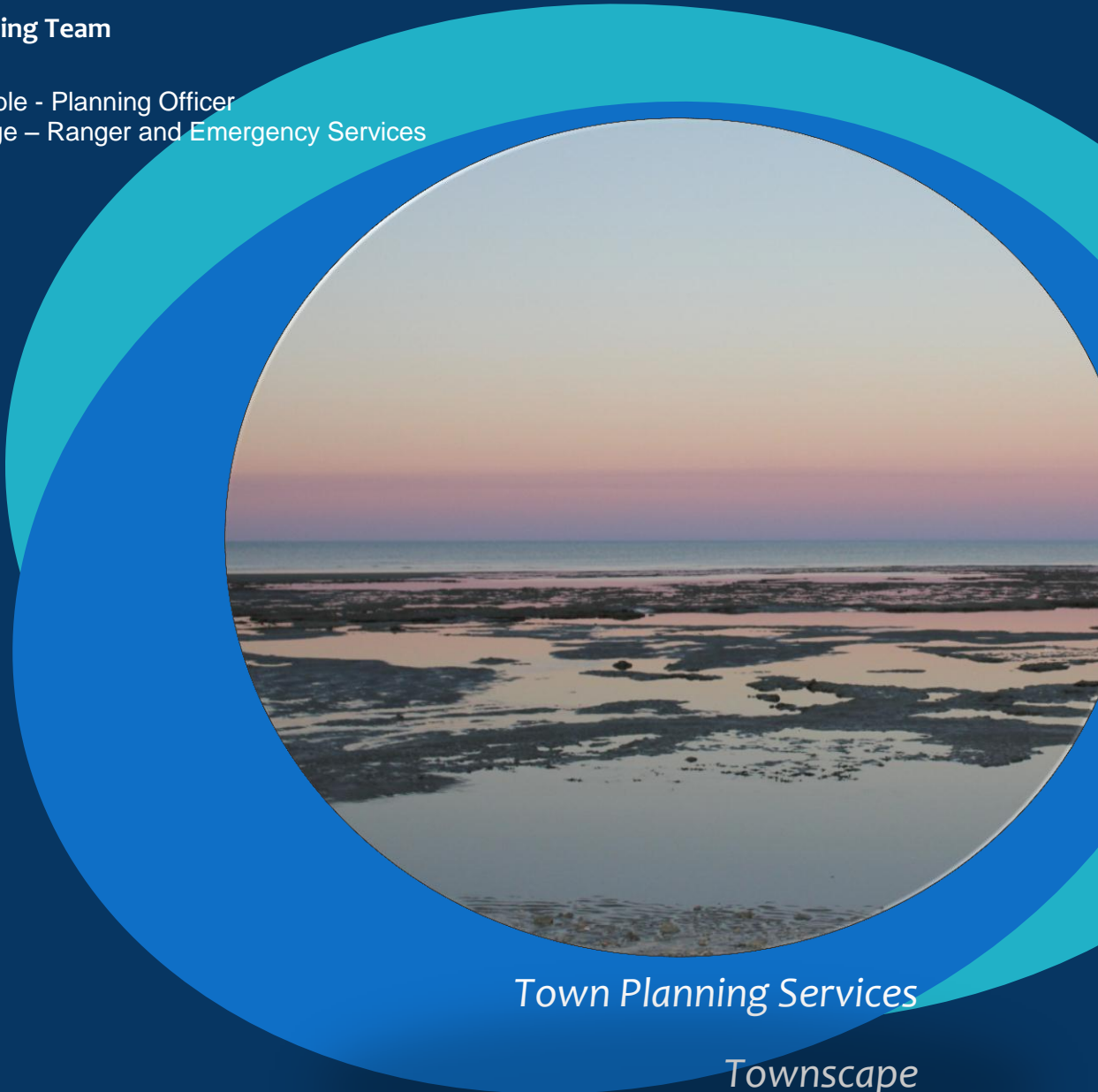
Executive Manager Town Planning

Rhassel Mhasho

Town Planning Team

James Trimble - 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.

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

Staff Changes

The Planning Officer, Mr Andrew Raines resigned from his position with effect from the 24th May 2012. Andrew returned to New South Wales to further his studies. I would like to thank Andrew for his good work and commitment to Council and wish him the best in his future endeavors.

Ranger Services

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

Illegal camping continues to be a challenge for Ranger Services with an increase in offences being observed during the year. Regular community information, via the local newspaper and public information signage was implemented to assist with controlling the issue. Extra officers were authorized to assist the Department in enforcing the issue, with the Western Australia Police coming on board to provide further assistance. The following table indicates the offences identified and address by Ranger Services throughout the past 2 years.



Offence Type	2010/11 Offences	2011/12 Offences
Dogs	73	76
Camping	319	351
Parking	55	60
Litter	22	5
Fire	7	41
Off Road Vehicles	6	6
Other	16	39
Total	497	578

Emergency Management

The Department continued to work with emergency groups and other stakeholders to review the readiness of emergency services and the preparedness of the community as a whole.

Community Centre Emergency Risk Management Project

The Local Government Insurance Service (LGIS) commenced undertaking a Community Emergency Risk Management Project for the Shire of Exmouth which will be used to identify hazards relevant to the community and identify treatment strategies which will at least reduce the risks from those hazards as low as reasonably practicable.

Bushfire Mitigation Works

The Shire assisted the Department of Environment and Conservation to undertake a prescribed burning program on land under DEC's care and control. Three prescribed burns were conducted by DEC at Shothole Canyon, Milyering Visitors Centre and Giralia Station. These burns provided strategic fire breaks to their surrounding areas with the Shothole canyon burn providing a strategic fire break to the Exmouth townsite.





In conjunction with the DEC burning program, the Shire installed firebreaks around the district and conducted a number of hazard reduction burns to provide further strategic fire breaks around the community. Hazard reduction burns conducted by the Shire, with the assistance of DEC, were completed in the following locations:

- Nimitz St UCL (area surrounded by Reid St, Nimitz St, Cameron St, Campbell Way and the walking trail to the south)
- Marine Fish Farms site
- Truscott Crescent (area immediately surrounding the Aspen Caravan Park)

Exmouth Bush Fire Brigade

After the establishment and registration of the Exmouth Bush Fire Brigade during April 2011, the Shire continued to work with the Fire and Emergency Services Authority (FESA) to ensure the brigade had the capacity to undertake its duties during the 2011-12 bush fire season through the provision of training and equipment purchases.

The brigade was called out to a number of incidents, including a fire on Christmas Day. One incident resulted in FESA deploying a type 1 attack helicopter to assist with attacking the fire from the air, which was a first for the region.

Emergency Overflow Camping Ground

The Emergency Overflow Caravan Park was opened during the peak tourism season to assist with the accommodation of visitors who were unable to find accommodation due to the National Park and licensed caravan parks being at capacity. A total of 292 bookings were taken from the 1st July until the 13th August when the overflow was closed

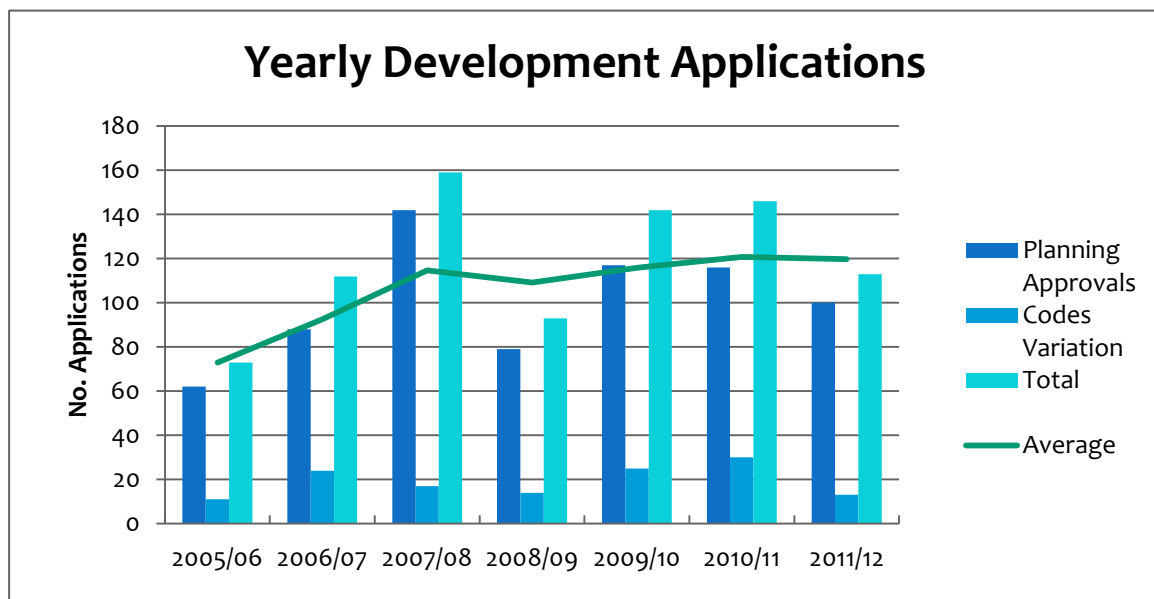
Statutory Planning

Development Applications and Subdivision

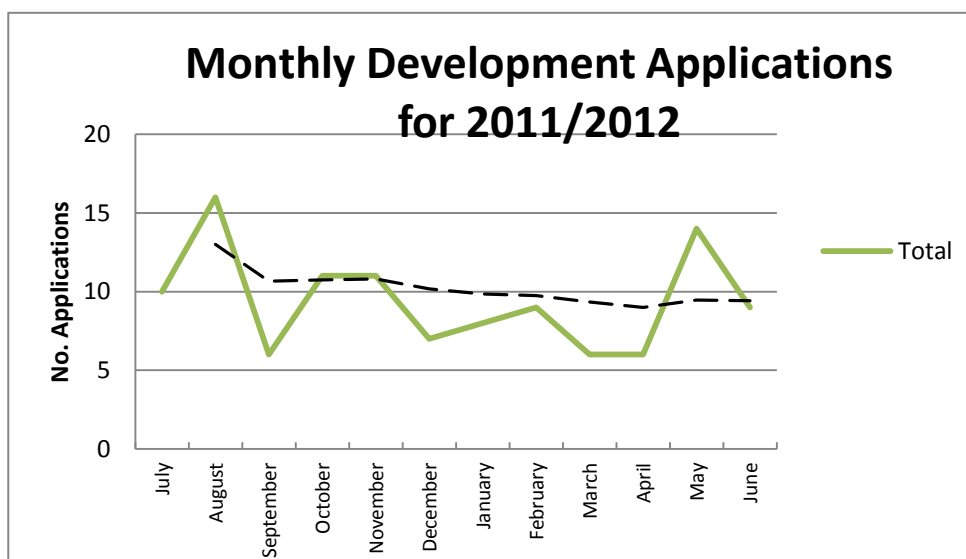
The town planning department continued maintaining a 14 day processing time for planning applications and processed a total of 113 development applications (a decrease of 2.2% from the previous year). The majority of these were Holiday Accommodation, oversized outbuildings and residential dwellings applications.

The largest development application received during the year was the renewals of the 15 grouped dwelling on Lots 190 Snapper Loop. The project is expected to start in 2013.

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



The graph below depicts the monthly number of development applications.



Subdivisions and ODP

The department was involved in processing one of the largest Outline Development Plans in Exmouth. The ODP was prepared by RPS on behalf of Landcorp and covers a total area of approximately 44ha.

The Nimitz ODP provides a framework for the consideration of subdivision and development within the subject site.

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

DENSITY CODE ESTIMATED LOTS ESTIMATED

R17.5	271 lots	271 dwelling units
R20	74 lots	74
R30	4 lots	41
Total		386

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



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 and C yielding 25 residential strata lots.

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

Details of land release in Exmouth

Area	No of lots	Stage	Expected release	Size of lots	Developer
Nimitz Street	349- with 39 lots released in stage 1	Subdivision approved by WAPC	2013/14	640- 750m ²	Landcorp
Preston Street	11	Investigation stage	2013/14	1 ha	Shire of Exmouth
Mortis Street	11	Titles issued	2012/13	500-600m ²	Private developer
Fall Street	1	Servicing	2012/13	785	Shire of Exmouth
Learmonth Street	24	Subdivision approved by WAPC	2014/15	500-900m ²	Landcorp

Strategic Town Planning

Town Planning Scheme Amendments

A total of 4 Scheme amendments were processed during the year. These include:

- Scheme amendment 25-Rezoning Lot 2, a portion of Lot 6 and Lot 319 Yardie Creek Road from Tourist and Recreation and Open space to Special Use zone and the balance of Lot 6 be rezoned to Recreation and Open space
- Scheme amendment 26 -Rezoning a portion of Lot 1112 Nimitz Street from Tourist to Residential R30 and R17.5 and Recreation and Open Space and reclassifying a portion of Reserve 29086 and 41753 from Recreation and Open Space to Residential R17.5 and Special Rural respectively
- Scheme Amendment 27: To facilitate the development of an innovative, low impact marine supply base on Lots 1, 101, 112 & 220 Minilya-Exmouth Road. The Amendment has been sent to the Environmental Protection Authority (EPA) for assessment.
- Scheme Amendment 28: Reclassifying a portion of Reserve 50807 and 28764 from Recreation and Open Space to Public Purposes.

Exmouth South Structure Plan 2011

The Department commenced the preparation of the Exmouth Structure Plan. TME planning and engineering consultants were appointed to undertake the preparation of the Exmouth South Structure Plan. The plan will be completed in 2013.

District Water Management Strategy (DWMS)

The preparation of strategy was completed during the year. 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.

Town Centre and Foreshore Revitalisation Plans

The preparation of the Town Centre and Foreshore Plan was completed during the financial year. The detailed engineering designs are currently being prepared with implementation of the project starting January / February 2013. It is envisaged that the plan will 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.



Review and Development of new Planning Policies

Two new planning policies were formulated during the year. The District Water Management Strategy and the Town Centre and Foreshore Revitalisation Plan were adopted by Council as planning policies. The department will be conducting a review of all town planning policies in 2012/13 financial year

Looking forward

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

The Lefroy Street Housing Project

Council has been working with Exmouth Chamber of Commerce and Industry to come up with a housing project for the low income workers. Many small businesses (5-19 employees) and large businesses (20+ employees) fail to attract and retain employees due to the high cost of rentals creating poor wages and conditions and these businesses do not have the required capital to provide affordable housing options. A draft project proposal has been prepared by the town planning department to be used to source funding for the project



The Preparation of the Local Planning Strategy and Local Planning Scheme

The town planning department was successful with a grant application for the comprehensive Local Planning Strategy (LPS) for the Scheme Area to inform a Local Scheme review.

The project will deliver a comprehensive Local Planning Strategy (LPS) for the Scheme Area to inform a Local Scheme review. It is anticipated that the Strategy and Scheme review will guide development in Exmouth and encourage a diverse industry mix in the predominantly 'single industry' local economy for the next 10 years.

The Shire's Town Planning Scheme No.3 (gazetted 3 September 1999) covers only the townsite and surrounds and does not cover the balance of the Shire. The balance of the Shire is subject to Interim Development Orders. It is envisaged that the project will start in January 2013.

Progressing the Release of Land for Residential, Industrial, Tourism and Commercial Development

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



Engineering Services

Executive Manager Engineering Services

Keith Woodward

Engineering Services Team

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

Transport-Roads, Footpaths

Parks and Recreation Grounds

Asset and Building Maintenance

Infrastructure and Community Amenities



Engineering Services

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

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

Major Projects in 2011/2012:



Tantabiddi Boat Ramp

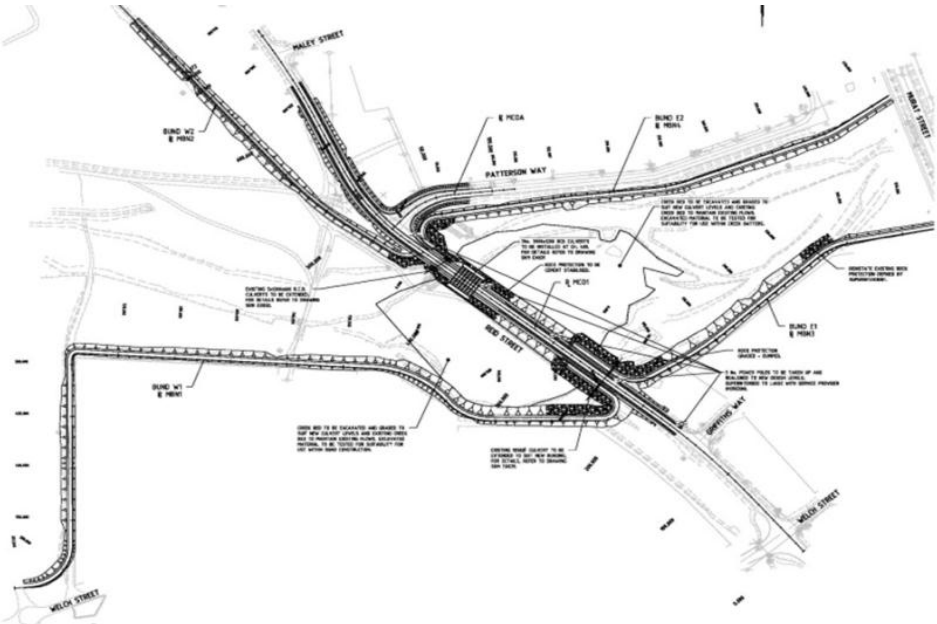
The Exmouth Shire Council has maintained Tantabiddi boat ramp for 20+ years and recognises that the Tantabiddi boat ramp is a key tourism facility. The Tantabiddi boat ramp provides access to Ningaloo Reef which has multiple commercial and recreational attractions requiring vessel launching facilities.

The previous boat ramp required replacement as the structure was only functional 60% of the time and was at times hazardous regarding slips, vehicle-trailer bogging and onerous boat launching and retrieval due to sand bog and waves. Also, the previous boat ramp structure had been impacted by cyclones Orson, Bobby, Olivia, Monty and Vance which caused heavy erosion and other structural damage. There had been movement in the rock armouring and the non-slip ramp surface was worn off.

The new boat ramp was constructed including 2 launching and retrieval ramps, 2 walkway jetties and an enlarged turn around area in the design. The new boating facility services the boating needs of local residents, the tourism industry and visitors to the region by providing formal access to the ocean waters for all classes of trailed vessels.

LIA Reid Street Flood Mitigation Stage 1

The Shire of Exmouth in conjunction with the Department of Water completed the “Exmouth Floodplain Management Study” December 2007. The study proposed a floodplain development strategy for the Shire and assessed possible flood mitigation works. The study recommended both structural and non-structural flood mitigation measures, based on detailed hydrologic and hydraulic modeling and has been endorsed by the Shire and the Department of Water. These works have been recommended to minimize the impact of flooding on the town, including the Light Industrial Area (LIA), Exmouth Marina Precinct, existing residences and businesses and to assist with maintaining access between properties south of the LIA creek and town. The need for flood mitigation has also been identified to establish clear parameters for future development on land affected by the floodway/flood fringe. Previously during a flood event, the breakout of floodwater from the LIA floodway substantially impacts the Exmouth community and ultimately the State Government. The works identified within this stage of the flood mitigation works would alleviate the affect should a 1:100 year flood event occur. A 1:100 year flood in most situations is associated with a cyclone however can occur independently of cyclones in Exmouth.



The implementation of these flood mitigation measures will allow for compatible planning and use of the land on and surrounding the floodplains as a resource for future use and protect infrastructure to alleviate the financial and social impacts to the community, businesses and government in a flood event. Exmouth has a unique environment where the Cape Range meets the World Heritage Ningaloo Reef. This project will allow for the future sustainability and strategic growth in Exmouth.

The Reid Street/LIA Creek project stage 1 works was completed in May 2012. The works included the construction of levees and piped drainage under Reid Street.

The Stage 2 works proposed for 2012/2013 and will include the reconstruction and realignment of Reid Street, the Light Industrial Area Creek levee interconnected into the new profile of Reid Street and rock armour. Guide post and signage. Once stage 2 works are completed this project is finished.

Shot Hole Canyon Road

In February 2012 storm water associated with Cyclone Carlos damaged Shot Hole Canyon Road. The storm water scoured 200mm of gravel sheeting for a distance of 1,500 metres. Since February 2012 Shot Hole Canyon Road has been accessed by 4x4 only and service/emergency management vehicles.

The road reinstatement costs were secured from the Government of Western, Natural Disaster Relief and Recovery Arrangements (WANDRRA), Australia Fire and Emergency Services. The WANDRRA scheme financial arrangements are based on 2/3, 1/3 Shire contribution. The WANDRRA scheme is not focused on betterment principles but limited to pre-existing restatement conditions. The tendered scope was limited to 200mm gravel re-sheeting road works and guide posts replacements to pre-cyclone conditions. These works have been completed and the road is now open to all traffic.

Stokes Hughes Footpath

The intention of this project was to construct a dual use (pedestrian & cyclist) footpath from the junction of Krait Street and Stokes Hughes Street's linking the Trails West trail to the North Western section of the residential areas. The footpath construction works occurred on the northern side of Stokes Hughes Street. Stage 1 of the Stokes Hughes footpath project has been completed.

Shire Housing

The Shire purchased Lots 115 and 116 Skipjack Circle and included \$1,000,000 in the 2011/12 Shire Budget to construct two 4x2 residents.

The Shire advertised Tender 10/2011 "Construct Two New 4x2 Residents" in the West Australian Newspaper on the 24 September 2011. A local builder, Pebblebeach Construction was successful. The houses were completed before the end of the financial year and they are now occupied by Shire executive staff.



Learmonth Airport Apron Expansion.

This project comprises the construction of two dedicated apron areas at each end of the existing apron.

1. New Helicopter apron to the north of the existing apron.
2. New General Aviation apron to the south of the existing apron as replacement for area proposed to form part of helicopter apron.

The project entailed substantial earthworks because of the design flood levels established by Defence Department. Pavement thickness is 225mm of crushed rock on compacted, imported subgrade fill, for both apron areas. The surface was primed

and asphalt finished matching the adjoining apron. Storm water piped drainage was extended to the existing culvert drains within the apron.

To facilitate CASA standard apron illumination a second 30m apron floodlight was required positioned on the building line and between to the two hangar developments.

The northern and southern apron expansion was constructed by the Shire and the project is completed.

General

Roads

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

Murat Road

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

Yardie Creek Road

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



Ningaloo Access Road

In March 2012 a bush fire started on the southern and northern side of Ningaloo Road. The fire scar is approximately 10 kilometres long interfacing with the road. As a

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

The increasing financial demands associated with maintaining Ningaloo Road and no increases in funding revenue continues to compound the maintenance and preservation costs associated with the road. Road preservation works such as carriageway reconditioning and construction including the supply and application of gravel are beyond the Shire's resource and financial capacity. The road construction gravels available in proximity to Ningaloo Road are low quality and would be described calcareous material, shelly sands, coral grave, limestone with a high sand concentrate. These materials have a high failure rate.



Gravel Reserves Road Construction and Maintenance

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

Staff and Structure

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 2011-2012 financial years was the addition of 1 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:

- Traffic Management- 5 staff
- Level 2 Fire Fighter Training- 3 staff
- Asset Management- 1 staff
- Introduction to Irrigation- 2 staff

Staff Training in 2011/2012:

- First Aid Responder- 7 staff
- Roller Operations- 6 staff
- Excavator Operations- 6 staff
- Wheeled Loader Operations- 6 staff
- Skid Steer Loader Operations- 6 staff
- AIMS Awareness- 4 staff
- Advanced Bushfire- 7 staff
- Crew Leader Fire Fighting- 7 staff
- Basic Bushfire- 7 staff
- Introduction to Bushfire- 7 staff
- Introduction to Supervisor- 2 staff
- Cert II Horticulture- 1 staff
- Construction Safety Card- 2 staff

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. This staff development program has been achieved.



Waste Collection

Rubbish truck and waste services were delivered consistently over 365 days.

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

Plant and Equipment

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

The approach taken to manage the Shire fleet is based on the Institute of Public Works Engineering Australia “*Plant and*

Vehicle Management[®] (IPWEA) program. This will ensure optimum trade cycles and service programming will substantially lower the cost of fleet and plant operations. The goal is high utilization, optimum replacement, minimum down time and proactive failure management. Fleet utilizations and the fleet replacement program are benchmarked annually against the IPWEA benchmarking guidelines.

Buildings

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

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



Statutory Reports

PLAN FOR THE FUTURE 2011/12 to 2015/16

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 6a 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 record keeping training and induction programs to ensure that Shire employees are informed of their responsibilities in regard to record keeping. 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 Principles Agreement is an Inter-government Agreement between the Commonwealth and State/Territory Governments that sets out how government will apply National Competition Policy principles to public sector organisations within their jurisdiction.

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

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

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

In accordance with the requirements of the National Competition Policy the Shire of Exmouth makes the following disclosure for 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) – Learmonth Aviation Operations.

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

Implementation Timetable

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

STRUCTURAL REVIEW OF PUBLIC MONOPOLIES

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

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

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

LEGISLATIVE REVIEW

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

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

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

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

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

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

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

By-Laws Relating to:

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

LEGISLATIVE REVIEW AND REFORM STRATEGY

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

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 2011/2012

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.
 - Access to Shire organised events enables people with disabilities to attend.
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.
 - Maintenance of ACROD parking bays like re-marking of bays, monitoring of appropriate use by Ranger Services
 - Provision of assistance to Exmouth Hospital regarding footpath standards and maintenance.
3. People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it:
 - A wide range of information is made available to all residents of Exmouth via the Shire's monthly newsletter, emails, Community Notice Board, website and local newspapers/radio;
 - Information can be made available on request in a variety of formats, where practicable;
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 (\$)	2012	2011	2010	2009	2008
100,000 – 109,999					1
110,000 – 119,999			1	1	
120,000 – 129,999	2	1			

Financial Services



SHIRE OF EXMOUTH
2011/12 Financial Report
TABLE OF CONTENTS

Statement by Chief Executive Officer

Statement of Comprehensive Income by Nature or Type

Statement of Comprehensive Income by Program

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Rate Setting Statement

Notes to and Forming Part of the Financial Report

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

Independent Audit Report

SHIRE OF EXMOUTH
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012

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 2012 are in my opinion properly drawn up to present fairly the financial position of the Shire of Exmouth at 30th June 2012 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 12 day of December 2012.



B Price
Chief Executive Officer

SHIRE OF EXMOUTH
Statement of Comprehensive Income
By Nature or Type
for the Year Ended 30 June 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue				
Rates	24	2,842,656	2,901,502	2,755,574
Operating Grants, Subsidies & Contributions	30	3,322,004	3,551,518	2,535,249
Service Charges		0	0	0
Fees and Charges	29	6,570,370	4,984,735	4,428,252
Interest Earnings	2(a)	423,292	164,512	285,758
Other Revenue		116	256,938	160,452
		<u>13,158,439</u>	<u>11,859,205</u>	<u>10,165,285</u>
Expenses				
Employee Costs		(4,754,200)	(4,550,598)	(4,236,058)
Materials and Contracts		(3,188,663)	(5,287,398)	(2,129,570)
Utility Charges		(612,578)	(748,444)	(634,239)
Depreciation on Non-current Assets	2(a)	(2,254,606)	(2,548,466)	(2,081,592)
Interest Expenses	2(a)	(58,147)	(81,183)	(43,059)
Insurance Expenses		(327,615)	(373,570)	(313,128)
Other Expenditure		(505,650)	(1,130,660)	(130,272)
		<u>(11,701,459)</u>	<u>(14,720,318)</u>	<u>(9,567,917)</u>
		1,456,981	(2,861,113)	597,369
Non Operating Grants, Subsidies & Contributions	30	6,102,016	15,125,902	1,032,157
Fair value adjustments to financial assets at fair value through profit and loss		0	0	0
Profit on Asset Disposals	22	13,636	97,884	35,969
Loss on Asset Disposals	22	(3,576)	(45,660)	(72,641)
NET RESULT		<u>7,569,057</u>	<u>12,317,013</u>	<u>1,592,854</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><u>7,569,057</u></u>	<u><u>12,317,013</u></u>	<u><u>1,592,854</u></u>

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

SHIRE OF EXMOUTH
Statement of Comprehensive Income
By Program

for the Year Ended 30 June 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue				
General Purpose Funding		5,511,983	4,066,746	4,718,804
Governance		8,233	500	2,722
Law, Order, Public Safety		56,725	51,750	65,534
Health		48,118	34,450	40,314
Education and Welfare		110,954	92,078	99,807
Housing		254,895	394,118	241,022
Community Amenities		1,439,981	1,722,998	978,430
Recreation and Culture		157,631	1,188,404	493,313
Transport		4,990,439	3,560,426	3,002,633
Economic Services		357,127	665,185	323,612
Other Property and Services		218,778	82,550	199,094
		<u>13,154,864</u>	<u>11,859,205</u>	<u>10,165,285</u>
Expenses Excluding Finance Costs				
General Purpose Funding		(77,818)	(43,400)	(31,558)
Governance		(450,149)	(490,384)	(373,825)
Law, Order, Public Safety		(280,949)	(240,565)	(342,444)
Health		(245,846)	(240,533)	(247,898)
Education and Welfare		(164,975)	(184,283)	(161,328)
Housing		(363,102)	(444,431)	(342,659)
Community Amenities		(2,230,763)	(3,009,040)	(1,607,635)
Recreation & Culture		(2,165,008)	(3,462,193)	(1,679,824)
Transport		(4,555,321)	(5,091,819)	(3,648,234)
Economic Services		(980,565)	(1,425,220)	(1,039,235)
Other Property and Services		(125,240)	(21,951)	(50,217)
		<u>(11,639,736)</u>	<u>(14,653,820)</u>	<u>(9,524,857)</u>
Finance Costs				
Housing		(21,732)	(45,028)	(19,504)
Community Amenities		(14,685)	0	0
Recreation & Culture		(894)	(871)	(1,360)
Other Property & Services		(20,836)	(20,599)	(22,195)
	2 (a)	<u>(58,147)</u>	<u>(66,498)</u>	<u>(43,059)</u>
Non Operating Grants Subsidies & Contributions				
Law, Order, Public Safety		151,849	12,996	92,403
Housing		244,756	244,756	
Community Amenities		0	1,700,000	
Recreation & Culture		2,573,027	5,002,336	456,000
Transport		3,043,983	8,157,814	483,754
Economic Services		88,400	8,000	0
		<u>6,102,016</u>	<u>15,125,902</u>	<u>1,032,157</u>
Profit/(Loss) on Disposal of Assets				
Other Property & Services		10,060	52,224	(36,672)
		<u>10,060</u>	<u>52,224</u>	<u>(36,672)</u>
NET RESULT		<u>7,569,057</u>	<u>12,317,013</u>	<u>1,592,854</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>7,569,057</u>	<u>12,317,013</u>	<u>1,592,854</u>

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

SHIRE OF EXMOUTH
Statement of Financial Position
As at 30 June 2012

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	8,526,511	6,069,039
Trade and Other Receivables	5	3,203,509	1,828,895
Inventories	6	36,960	41,690
TOTAL CURRENT ASSETS		<u>11,766,980</u>	<u>7,939,624</u>
NON-CURRENT ASSETS			
Other Receivables	5	103,288	53,002
Inventories	6	0	0
Property, Plant and Equipment	7	12,480,318	11,665,926
Infrastructure	8	26,425,240	25,183,223
Other	9	3,856,994	194,993
		<u>42,865,840</u>	<u>37,097,144</u>
TOTAL ASSETS		<u>54,632,820</u>	<u>45,036,768</u>
CURRENT LIABILITIES			
Trade and Other Payables	10	1,961,312	888,418
Current Portion of Long Term Borrowings	11	216,397	174,031
Provisions	12	603,898	493,805
TOTAL CURRENT LIABILITIES		<u>2,781,607</u>	<u>1,556,254</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	11	1,665,695	885,917
Provisions	12	66,107	44,247
TOTAL NON-CURRENT LIABILITIES		<u>1,731,802</u>	<u>930,164</u>
TOTAL LIABILITIES		<u>4,513,409</u>	<u>2,486,418</u>
NET ASSETS		<u>50,119,411</u>	<u>42,550,350</u>
EQUITY			
Retained Surplus		32,536,715	28,161,111
Reserves - Cash/Investment Backed	13	8,130,640	4,937,183
Reserves - Asset Revaluation	14	9,452,056	9,452,056
TOTAL EQUITY		<u>50,119,411</u>	<u>42,550,350</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 2012

	RETAINED SURPLUS	RESERVES CASH/ INVESTMENT BACKED	ASSET REVALUATION RESERVES	TOTAL EQUITY
	\$	\$	\$	\$
Balance as at 1 July 2010	28,089,714	3,415,730	9,452,056	40,957,500
Changes in Accounting Policy				
Restated Balance	<u>28,089,714</u>	<u>3,415,730</u>	<u>9,452,056</u>	<u>40,957,500</u>
Net Result	1,592,854			1,592,854
Total Other Comprehensive Income	0	0	0	0
Correction of Errors	(4)			(4)
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	28,161,111	4,937,183	9,452,056	42,550,350
Correction of Errors	4			4
Net Result	7,569,057	0	0	7,569,057
Total Other Comprehensive Income	0	0	0	0
Transfer from/(to) Reserves	<u>(3,193,457)</u>	<u>3,193,457</u>	<u>0</u>	<u>0</u>
Balance as at 30 June 2012	<u>32,536,715</u>	<u>8,130,640</u>	<u>9,452,056</u>	<u>50,119,411</u>

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 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,776,365	2,930,517	2,346,008
Operating Grants, Subsidies & Contributions		3,322,004	3,551,518	2,535,249
Service Charges		0	0	0
Fees and Charges		5,527,566	5,059,506	4,734,729
Interest Earnings		423,292	164,512	285,758
Goods and Services Tax		724,729	0	536,194
Other Revenue		117	256,938	160,453
		<u>12,774,073</u>	<u>11,962,991</u>	<u>10,598,390</u>
Payments				
Employee Costs		(4,622,247)	(4,550,598)	(4,196,997)
Materials and Contracts		(2,325,618)	(5,351,004)	(2,212,252)
Utility Charges		(505,289)	(758,460)	(639,807)
Insurance Expenses		(327,615)	(373,570)	(313,128)
Interest Expenses		(58,147)	(81,183)	(43,059)
Goods and Services Tax		(996,575)	0	(533,315)
Other Expenditure		(398,361)	(1,130,660)	(138,719)
		<u>(9,233,851)</u>	<u>(12,245,473)</u>	<u>(8,077,277)</u>
Net Cash Provided By Operating Activities	15(b)	<u>3,540,222</u>	<u>(282,483)</u>	<u>2,521,113</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(1,794,265)	(5,042,606)	(943,354)
Payments for Construction of Infrastructure		(6,217,778)	(14,835,811)	(1,311,924)
Grants/Contributions for the Development of Assets		6,102,016	15,125,902	1,032,157
Proceeds from Sale of Plant & Equipment		49,091	208,480	99,673
		<u>(1,860,936)</u>	<u>(4,544,034)</u>	<u>(1,123,448)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(177,855)	(195,915)	(74,169)
Community Loan Advances		(50,000)	0	(25,000)
Proceeds from New Debentures		1,000,000	1,000,000	305,000
Proceeds from Community Loans		6,041	0	17,885
Net Cash Provided By (Used In) Financing Activities		<u>778,186</u>	<u>804,085</u>	<u>223,716</u>
Net Increase (Decrease) in Cash Held		<u>2,457,472</u>	<u>(4,022,432)</u>	<u>1,621,381</u>
Cash at Beginning of Year		6,069,039	6,069,043	4,447,658
Cash and Cash Equivalents at the End of Year	15(a)	<u><u>8,526,511</u></u>	<u><u>2,046,611</u></u>	<u><u>6,069,039</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 2012

	NOTE	2012 Actual \$	2012 Budget \$	2011 Actual \$
REVENUES				
General Purpose Funding		2,669,327	1,165,244	1,963,230
Governance		8,233	500	2,722
Law, Order, Public Safety		208,574	64,746	157,937
Health		48,118	34,450	40,314
Education and Welfare		110,954	92,078	99,807
Housing		499,651	638,874	241,022
Community Amenities		1,439,981	3,422,998	978,430
Recreation and Culture		2,730,658	6,190,740	949,313
Transport		8,034,422	11,718,240	3,486,387
Economic Services		445,527	673,185	323,612
Other Property and Services		222,355	180,434	235,062
		<u>16,417,800</u>	<u>24,181,489</u>	<u>8,477,836</u>
EXPENSES				
General Purpose Funding		(77,818)	(43,400)	(31,558)
Governance		(450,149)	(490,384)	(373,825)
Law, Order, Public Safety		(280,949)	(240,565)	(342,444)
Health		(245,846)	(240,533)	(247,898)
Education and Welfare		(164,975)	(184,283)	(161,328)
Housing		(384,834)	(489,459)	(362,163)
Community Amenities		(2,230,763)	(3,009,040)	(1,607,635)
Recreation & Culture		(2,165,902)	(3,463,064)	(1,681,184)
Transport		(4,555,321)	(5,091,819)	(3,648,234)
Economic Services		(980,565)	(1,425,220)	(1,039,235)
Other Property and Services		(139,593)	(88,210)	(145,052)
		<u>(11,676,714)</u>	<u>(14,765,978)</u>	<u>(9,640,556)</u>
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	22	(10,060)	(52,224)	36,672
Movement in Accrued Interest				
Movement in Deferred Pensioner Rates (Non-Current)		(2,786)	0	(2,237)
Movement in Accrued Salaries and Wages		0	0	0
Movement in Employee Benefit Provisions		131,951	0	39,061
Depreciation and Amortisation on Assets	2(a)	2,254,606	2,548,466	2,081,592
Capital Expenditure and Revenue				
Purchase Land and Buildings		(226,213)	(2,325,303)	0
Purchase Infrastructure Assets - Roads		(382,446)	(3,483,982)	(805,189)
Purchase Infrastructure Assets - Other		(2,016,405)	(11,351,829)	(630,528)
Purchase Plant and Equipment		(710,658)	(1,050,800)	(818,846)
Purchase Furniture and Equipment		(819,329)	(1,665,003)	(124,508)
Purchase Paintings & Sculptures		0	(1,500)	0
Payments for Works in Progress		(3,856,993)	0	123,793
Proceeds from Disposal of Assets	22	49,091	208,480	99,673
Repayment of Debentures	23	(177,855)	(195,915)	(74,169)
Proceeds from New Debentures	23	1,000,000	1,000,000	305,000
Proceeds from Community Groups		6,041	10,539	17,887
Advances to Community Groups		(50,000)	0	(25,000)
Transfers to Reserves (Restricted Assets)	13	(4,774,596)	(642,228)	(2,073,656)
Transfers from Reserves (Restricted Assets)	13	1,581,139	2,577,573	552,203
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	24(b)	2,103,482	2,185,044	1,808,880
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	24(b)	1,668,027	78,334	2,103,482
Amount Required to be Raised from Rates	24	<u>(2,827,971)</u>	<u>(2,901,504)</u>	<u>(2,755,574)</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 2012

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), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax

Revenues, expenses and assets capitalised are stated net of any GST recoverable.

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

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

(d) Cash and Cash Equivalents

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

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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 overheads.

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

Revaluation

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.

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

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.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revaluation (Cont.)

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.

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 (excluding freehold land) are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

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

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

Buildings	40 Years
Furniture and Equipment	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 estimated recoverable amount.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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 where they are 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. They are subsequently measured at amortised cost.

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Estimation of Fair Value

(i) Impairment

At the end of each reporting period, the Council assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

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

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

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

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

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

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

(k) Trade and Other Payables

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

(l) Employee Benefits

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

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:

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(o) Leases

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

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

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

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

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

(p) Joint Venture

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

The Council's interest in joint venture entities are recorded using the equity method of accounting in the financial report.

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

(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 2012

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. All funds to which the Council contributes are defined contribution plans.

(s) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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 2012

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 2012.

The 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 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.
(iii) 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 2011	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).
(iv) 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.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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 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).
(vi) 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 the Council.
(vii) 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	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
(viii) AASB 2011 - 2 Amendments to Australian Accounting Standards arising from the Trans - Tasman Consequence Project - Reduced Disclosure Requirements [AASB 101 & AASB 1054]	May 2011	1 July 2013	
AASB 2011 3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to ABS GFS manual and related Amendments. [AASB 1049]	May 2011	1 July 2012	
AASB 2011 - 6 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127, 128 &	July 2011	1 July 2013	

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (1)	Impact
(ix) AASB - 10 Consolidated Financial Statements AASB 11 Joint Arrangements AASB 12 Disclosure of Interest in Other Entities AASB 12 Separate Financial Statements AASB 128 Investments in Associated and Joint Ventures	August 2011	1 January 2013	Nil - None of these except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supersede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council
(x) AASB 2011 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 131, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17	September 2011	1 January 2013	AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 requires: - Inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and - Enhanced disclosures regarding all assets and liabilities (including, but not limited to financial assets and financial liabilities) measured at fair value. AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards. The amendments to the legislation requires the phasing in of fair value in relation to fixed assets over the three years from 1 July 2012. It is not possible to estimate the likely amount of any

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	1 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.
(xii)	AASB 119 - Employee Benefits AASB 2010 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011 - 8 and Interpretation [4]	September 2011	1 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to ASSBs in relation to termination benefits.
(xiii)	AASB 2011 -11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	September 2011	1 January 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council
	AASB 2011 - 12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]	November 2011	1 January 2013	
	AASB 2011 - 13 Amendments to Australian	December 2011	1 July 2012	

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 2012

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 124
AASB 1054
AASB 2009 - 12
AASB 2010 - 4
AASB 2010 - 5
AASB 2010 - 6
AASB 2010 - 9
AASB 2010 - 14
AASB 2011 - 1

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 2012

2. REVENUES AND EXPENSES

2012

2011

\$

\$

(a) Net Result

The Net Result includes:

(i) Charging as an Expense:

Auditors Remuneration

- Audit	11,099	11,813
- Other Services	1,386	2,750

Depreciation

Buildings	297,592	297,023
Furniture and Equipment	310,269	230,333
Plant and Equipment	332,985	287,920
Infrastructure Other	498,933	493,386
Infrastructure Roads	814,827	772,930
	<u>2,254,606</u>	<u>2,081,592</u>

Interest Expenses (Finance Costs)

Finance Lease Charges	0	0
Debentures (refer Note 23(a))	58,147	43,059
	<u>58,147</u>	<u>43,059</u>

(ii) Crediting as Revenue:

2012

2012

2011

\$

Budget

\$

\$

Interest Earnings

Investments			
- Reserve Funds	179,980	99,512	140,298
- Other Funds	148,139	50,000	63,189
Other Interest Revenue (refer note 28)	95,173	15,000	82,271
	<u>423,292</u>	<u>164,512</u>	<u>285,758</u>

Grants & Subsidies

Early receivable of Financial Assistance Grant from WA Grants Commission.	<u>902,840</u>	<u>0</u>	<u>429,494</u>
---	----------------	----------	----------------

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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

The Shires' key strategic objectives are:

ECONOMIC

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

ENVIRONMENT

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

SOCIAL

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

CIVIC LEADERSHIP

To work together as custodians for now and the future.

GOVERNANCE

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

GENERAL PURPOSE FUNDING

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

LAW, ORDER, PUBLIC SAFETY

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

HEALTH

Maternal and Infant Health, preventative services and environmental health.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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 2012

2. REVENUES AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/Activity	Opening Balance (1) 1/7/10	Received (2) 2010/11	Expended (3) 2010/11	Closing Balance (1) 30/06/2011	Received (2) 2011/12	Expended (3) 2011/12	Closing Balance 30/06/2012
		\$	\$	\$	\$	\$	\$	\$
DEC - Bushfire Mitigation Fund	Law, Order, Public Safety	23,311	2,765		26,076	1,261		27,337
Dept of Planning South Structure Plan	Community Amenities	0			0	51,568		51,568
Revitalisation & Foreshore Development	Community Amenities	0	150,000	(70,156)	79,844	80,338		160,182
CLGF Flood Lighting Talanjee Oval	Recreation & Culture	0			0	205,478		205,478
CLGF Water Playground	Recreation & Culture	0			0	157,767		157,767
Country Arts Youth Program	Recreation & Culture	0			0	12,000		12,000
Joint Use EDHS Hard Courts	Recreation & Culture	0	350,760		350,760		(350,760)	0
Landcorp - Water Playground	Recreation & Culture	250,000	8,803		258,803	15,530		274,333
Marina Breakwater NavAid	Recreation & Culture	21,415	895		22,310	1,078		23,388
Royalties for Regions - Skate Park	Recreation & Culture	96,870	615	(97,485)	0			0
Tantabiddi Boat Ramp	Recreation & Culture	0	20,000		20,000	263,235		283,235
CLGF Renewable Energy Project	Transport	0			0	55,627		55,627
DEC Contribution Flood Damage	Transport	21,408	895		22,303	1,078		23,381
Dept of Lands Flood Mitigation Reid St	Transport	0			0	41,682		41,682
Landcorp - Marina Grant	Transport	338,024	14,124		352,148	17,030		369,178
Main Roads PACE Retreat	Transport	0			0	40,195		40,195
MRWA Blackspot Reid St	Transport	47,453	1,386		0			0
Reid St Flood Mitigation Works	Transport	0	150,000	(48,839)	150,000		(150,000)	0
Chevron - Display Banners	Economic Services	0			0	5,000		5,000
Dept of Sustain - Interpretive Signage	Economic Services	0			0	21,200		21,200
Dept of Sustain - Lantern & Film Making	Economic Services	0			0	17,620		17,620
Dry Season Assistance Grant	Economic Services	0	10,000		10,000		(10,000)	0
Incentive Grant PCYC Youth	Economic Services	20,000		(20,000)	0			0
Forward Capital Planning Grant	Other Property & Services	35,000		(35,000)	0			0
TOTAL		853,481	710,243	(271,480)	1,292,244	987,687	(510,760)	1,769,171

Notes:

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

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

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

	2012	2011
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	395,871	1,131,856
Restricted - Reserves	8,130,640	4,937,183
	<u>8,526,511</u>	<u>6,069,039</u>

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

Community Interest Free Loans Reserve	322,944	160,528
Community Development Fund Reserve	550,000	17,607
Leave Reserve	613,253	85,164
Plant Reserve	936,066	587,648
Road Replacement Reserve	0	127,273
North McLeod St Dune Breakout	0	65,410
Waste Management Reserve	143,409	136,793
Public Open Space Reserve	281,961	268,955
Swimming Pool Reserve	284,457	123,485
Shire Staff Housing Reserve	962,572	11,993
Airport Reserve	483,704	136,563
Airport Security Equipment Reserve	1,096,220	701,430
Rehabilitation Reserve	391,223	338,469
Marina Village Asset Replace & Preservation Reserve	5,324	5,079
Building Infrastructure Preservation Reserve	47,922	45,712
Industrial Area Roads Reserve	28,016	26,724
Town Planning Scheme Reserve	10,650	10,159
Land Development Reserve	0	0
Unspent Grants & Contributions Reserve	1,769,171	1,292,244
Carried Over Projects Reserve	203,748	795,947
	<u>8,130,640</u>	<u>4,937,183</u>

4. INVESTMENTS

The Shire of Exmouth had no non bank financial instruments during 2011/12. 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 2012

	2012	2011
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	821,606	758,101
Sundry Debtors & Receivables	2,103,057	1,060,253
GST Receivable	271,846	0
Loans - Clubs/Institutions	7,000	10,541
	<u>3,203,509</u>	<u>1,828,895</u>
Non-Current		
Rates Outstanding - Pensioners	13,288	10,502
Loans - Clubs/Institutions	90,000	42,500
	<u>103,288</u>	<u>53,002</u>
6. INVENTORIES		
Current		
Fuel and Materials	36,960	41,690
	<u>36,960</u>	<u>41,690</u>
7. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	13,004,087	12,741,033
Less Accumulated Depreciation	<u>(3,695,934)</u>	<u>(3,398,342)</u>
	9,308,153	9,342,691
Furniture and Equipment - Cost	2,354,575	1,534,376
Less Accumulated Depreciation	<u>(1,311,673)</u>	<u>(1,001,762)</u>
	1,042,902	532,614
Plant and Equipment - Cost	4,338,430	3,666,803
Less Accumulated Depreciation	<u>(2,209,167)</u>	<u>(1,876,182)</u>
	2,129,263	1,790,621
	<u>12,480,318</u>	<u>11,665,926</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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 2011	9,342,691	532,614	1,790,621	0	11,665,926
Additions	263,054	820,557	710,658	0	1,794,269
(Disposals)	0	0	(39,031)	0	(39,031)
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)	(297,592)	(310,269)	(332,985)	0	(940,846)
Other Movements					
Balance as at 30 June 2012	<u>9,308,153</u>	<u>1,042,902</u>	<u>2,129,263</u>	<u>0</u>	<u>12,480,318</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

	2012 \$	2011 \$
8. INFRASTRUCTURE		
Roads - Cost	27,772,758	27,370,484
Less Accumulated Depreciation	<u>(11,852,271)</u>	<u>(11,037,444)</u>
	15,920,487	16,333,040
Infrastructure Other - Cost	13,803,370	11,649,867
Less Accumulated Depreciation	<u>(3,298,617)</u>	<u>(2,799,684)</u>
	10,504,753	8,850,183
	<u>26,425,240</u>	<u>25,183,223</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 2011	16,333,040	8,850,183	25,183,223
Additions	402,274	2,153,503	2,555,777
(Disposals)	0	0	0
Revaluation - Increments	0	0	0
- (Decrements)	0	0	0
Impairment - (losses)	0	0	0
- reversals	0	0	0
Depreciation (Expense)	(814,827)	(498,933)	(1,313,760)
Other Movements			
Balance as at 30 June 2012	<u>15,920,487</u>	<u>10,504,753</u>	<u>26,425,240</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

	2012 \$	2011 \$
9. OTHER NON CURRENT ASSET		
Works in Progress		
Town Centre Upgrade	0	3,123
Murat Road	0	19,828
Landscaping Marina	0	83,058
Tantabiddi Boat Ramp	0	50,917
Library Shelving	0	1,227
Learmonth Airport Enclose Kiosk	0	36,840
Staff Housing Airconditioners	50,536	0
Lt 115 & Lt 116 Snapper Loop (2 Houses)	873,768	0
RTR - Yardie Creek Road	34,812	0
Computer Equipment	1,500	0
Learmonth Airport Bldg Alterations	21,878	0
Flood Mitigation LIA/Reid St	1,703,711	0
Learmonth Apron Extension	1,167,844	0
Bundegi Carpark Facilities	2,945	0
	<u>3,856,994</u>	<u>194,993</u>
10. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	928,177	602,939
Accrued Expenses	794,901	230,380
Tax Payable	235,357	44,695
Rental Bonds	2,877	2,327
BCITF	0	7,145
BRB Levy	0	932
	<u>1,961,312</u>	<u>888,418</u>
11. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	216,397	174,031
Lease Liability	0	0
	<u>216,397</u>	<u>174,031</u>
Non-Current		
Secured by Floating Charge		
Debentures	1,665,695	885,917
Lease Liability	0	0
	<u>1,665,695</u>	<u>885,917</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 2012

	2012 \$	2011 \$	
12. PROVISIONS			
Current			
Provision for Annual Leave	423,144	274,014	
Provision for Long Service Leave	112,637	146,116	
Provision for Employee Gratuity	68,117	73,675	
	<u>603,898</u>	<u>493,805</u>	
Non-Current			
Provision for Long Service Leave	66,107	44,247	
Provision for Employee Gratuity	0	0	
	<u>66,107</u>	<u>44,247</u>	
	2012 \$	2012 Budget \$	
	2011 \$		
13. RESERVES - CASH BACKED			
(a) Community Interest Free Loans Reserve			
Opening Balance	160,528	160,528	154,089
Amount Set Aside / Transfer to Reserve	162,416	6,421	6,439
Amount Used / Transfer from Reserve	0	0	0
	<u>322,944</u>	<u>166,949</u>	<u>160,528</u>
(b) Community Development Fund Reserve			
Opening Balance	17,607	17,607	16,902
Amount Set Aside / Transfer to Reserve	550,000	0	705
Amount Used / Transfer from Reserve	(17,607)	(17,607)	0
	<u>550,000</u>	<u>0</u>	<u>17,607</u>
(c) Leave Reserve			
Opening Balance	85,164	85,164	81,748
Amount Set Aside / Transfer to Reserve	528,089	226,123	3,416
Amount Used / Transfer from Reserve	0	0	0
	<u>613,253</u>	<u>311,287</u>	<u>85,164</u>
(d) Plant Reserve			
Opening Balance	587,648	587,648	659,463
Amount Set Aside / Transfer to Reserve	348,418	18,429	163,185
Amount Used / Transfer from Reserve	0	(255,106)	(235,000)
	<u>936,066</u>	<u>350,971</u>	<u>587,648</u>
(e) Road Replacement Reserve			
Opening Balance	127,273	127,273	122,168
Amount Set Aside / Transfer to Reserve	0	0	5,105
Amount Used / Transfer from Reserve	(127,273)	(127,273)	0
	<u>0</u>	<u>0</u>	<u>127,273</u>
(f) North McLeod St Dune Breakout Reserve			
Opening Balance	65,410	65,410	62,786
Amount Set Aside / Transfer to Reserve	0	0	2,624
Amount Used / Transfer from Reserve	(65,410)	(65,410)	0
	<u>0</u>	<u>0</u>	<u>65,410</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

	2012 \$	2012 Budget \$	2011 \$
13. RESERVES - CASH BACKED			
(g) Waste Management Reserve			
Opening Balance	136,793	136,793	53,756
Amount Set Aside / Transfer to Reserve	6,616	5,472	83,037
Amount Used / Transfer from Reserve	0	0	0
	<u>143,409</u>	<u>142,265</u>	<u>136,793</u>
(h) Public Open Space Reserve			
Opening Balance	268,955	268,955	258,168
Amount Set Aside / Transfer to Reserve	13,006	10,758	10,787
Amount Used / Transfer from Reserve	0	0	0
	<u>281,961</u>	<u>279,713</u>	<u>268,955</u>
(i) Swimming Pool Reserve			
Opening Balance	123,485	123,485	118,533
Amount Set Aside / Transfer to Reserve	160,972	4,939	4,952
Amount Used / Transfer from Reserve	0	0	0
	<u>284,457</u>	<u>128,424</u>	<u>123,485</u>
(j) Shire Staff Housing Reserve			
Opening Balance	11,993	11,993	11,512
Amount Set Aside / Transfer to Reserve	950,579	0	481
Amount Used / Transfer from Reserve	0	(11,993)	0
	<u>962,572</u>	<u>0</u>	<u>11,993</u>
(k) Airport Reserve			
Opening Balance	136,563	136,563	131,086
Amount Set Aside / Transfer to Reserve	468,141	623	5,477
Amount Used / Transfer from Reserve	(121,000)	(121,000)	0
	<u>483,704</u>	<u>16,186</u>	<u>136,563</u>
(l) Airport Security Equipment Reserve			
Opening Balance	701,430	701,429	342,787
Amount Set Aside / Transfer to Reserve	394,790	276,257	358,643
Amount Used / Transfer from Reserve	0	(45,000)	0
	<u>1,096,220</u>	<u>932,686</u>	<u>701,430</u>
(m) Rehabilitation Reserve			
Opening Balance	338,469	338,468	207,508
Amount Set Aside / Transfer to Reserve	52,754	25,739	133,161
Amount Used / Transfer from Reserve	0	(70,000)	(2,200)
	<u>391,223</u>	<u>294,207</u>	<u>338,469</u>
(n) Marina Village Asset Replace & Preservation Reserve			
Opening Balance	5,079	5,079	0
Amount Set Aside / Transfer to Reserve	245	5,203	5,079
Amount Used / Transfer from Reserve	0	0	0
	<u>5,324</u>	<u>10,282</u>	<u>5,079</u>
(o) Building Infrastructure Preservation Reserve			
Opening Balance	45,712	45,712	0
Amount Set Aside / Transfer to Reserve	2,210	46,828	45,712
Amount Used / Transfer from Reserve	0	0	0
	<u>47,922</u>	<u>92,540</u>	<u>45,712</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

	2012 \$	2012 Budget \$	2011 \$
13. RESERVES - CASH BACKED			
(p) Industrial Area Roads Reserve			
Opening Balance	26,724	26,724	25,653
Amount Set Aside / Transfer to Reserve	1,292	1,069	1,071
Amount Used / Transfer from Reserve	0	0	0
	<u>28,016</u>	<u>27,793</u>	<u>26,724</u>
(q) Town Planning Scheme Reserve			
Opening Balance	10,159	0	0
Amount Set Aside / Transfer to Reserve	491	5,406	10,159
Amount Used / Transfer from Reserve	0	0	0
	<u>10,650</u>	<u>5,406</u>	<u>10,159</u>
(r) Land Development Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
(s) * Unspent Grants & Contributions Reserve			
Opening Balance	1,292,244	1,292,244	853,481
Amount Set Aside / Transfer to Reserve	987,687	8,913	644,857
Amount Used / Transfer from Reserve	(510,760)	(1,069,407)	(206,094)
	<u>1,769,171</u>	<u>231,750</u>	<u>1,292,244</u>
(t) **Carried Over Project Reserve			
Opening Balance	795,947	795,948	316,090
Amount Set Aside / Transfer to Reserve	146,889	47	588,766
Amount Used / Transfer from Reserve	(739,089)	(794,777)	(108,909)
	<u>203,748</u>	<u>1,218</u>	<u>795,947</u>

SUMMARY	2012	2012 Budget	2011
	\$	\$	\$
Opening Balance	4,937,183	4,927,023	3,415,730
Amount Set Aside / Transfer to Reserve	4,774,596	642,228	2,073,656
Amount Used / Transfer from Reserve	(1,581,139)	(2,577,573)	(552,203)
TOTAL CASH BACKED RESERVES	<u>8,130,640</u>	<u>2,991,678</u>	<u>4,937,183</u>

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

	Balance 1 July 2011	Amount Trf to/from Reserve	Closing Balance 2012
	\$	\$	\$
13. RESERVES - CASH BACKED			
<i>* Summary of Unspent Grants & Contributions Reserve</i>			
- Landcorp Marina Grant	352,148	17,030	369,178
- DEC Contribution Flood Damage	22,303	1,078	23,381
- Marina Breakwater/NavAid (07/08)	22,310	1,078	23,388
- DEC Bushfire Mitigation Fund	26,076	1,261	27,337
- Landcorp - Water Playground	258,803	15,530	274,333
- Dry Season Assistance Grant	10,000	(10,000)	0
- Reid St Flood Mitigation Works	150,000	(150,000)	0
- Revitalisation & Foreshore Development	79,844	80,338	160,182
- Joint Use EDHS Hard Courts	350,760	(350,760)	0
- Tantabiddi Boat Ramp	20,000	263,235	283,235
- Country Arts Youth Program	0	12,000	12,000
- Main Roads PACE Retreat	0	40,195	40,195
- CLGF Flood Lighting Talanjee Oval	0	205,478	205,478
- CLGF Water Playground	0	157,767	157,767
- CLGF Renewable Energy Project	0	55,627	55,627
- Dept of Plan South Structure Plan	0	51,568	51,568
- Dept of Lands Flood Mitigation Reid St	0	41,682	41,682
- Chevron Display Banners	0	5,000	5,000
- Dept of Sustain Interpretative Signage	0	21,200	21,200
- Dept of Sustain Lantern & Film Making	0	17,620	17,620
	<u>1,292,244</u>	<u>476,927</u>	<u>1,769,171</u>
<i>** Summary of Carried Over Project Reserve</i>			
- Recreation Centre - Repaint	38,277	(38,277)	0
- Donations - WWII plaque	1,171	56	1,227
- Sewerage Farm	39,072	(24,072)	15,000
- WWII Heritage Trail / Shelter	68,351	(68,351)	0
- PACE Program C/O 07/08	13,523	(13,523)	0
- Footpath/Kerbing (C/O 07/08)	24,246	(24,246)	0
- Lighthouse Repaint (C/O 07/08)	22,238	(22,238)	0
- Canal Water Monitoring	118,722	(118,722)	0
- Donation Bundegi Shade	8,856	428	9,284
- Sanitation Computer Equipment	2,000	(2,000)	0
- Learmonth Airconditioning	148,872	(148,872)	0
- Computer Hardware/Software	139,492	(139,492)	0
- Enclosing Kiosk Learmonth Airport	71,077	(71,077)	0
- Footpath Stokes-Hughes Rd	50,050	1,955	52,005
- District Water Management	50,000	(50,000)	0
- Unspent Loan Funds Staff Housing	0	126,232	126,232
	<u>795,947</u>	<u>(592,200)</u>	<u>203,748</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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

Swimming Pool Reserve

- to be used to fund Swimming Pool upgrades

Shire Staff Housing Reserve

- to be used to fund housing for Shire staff

Airport Reserve

- to be used to fund Airport capital and operating expenses

Airport Security Equipment Reserve

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

Rehabilitation Reserve

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

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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.

	2012	2011
	\$	\$
14. RESERVES - ASSET REVALUATION		
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
(a) Roads		
Balance as at 1 July 2011	9,452,056	9,452,056
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2012	<u>9,452,056</u>	<u>9,452,056</u>
TOTAL ASSET REVALUATION RESERVES	<u>9,452,056</u>	<u>9,452,056</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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:

	2012 \$	2012 Budget \$	2011 \$
Cash and Cash Equivalents	<u>8,526,511</u>	<u>2,046,611</u>	<u>6,069,039</u>

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

Net Result	7,569,057	12,317,013	1,592,854
Depreciation	2,254,606	2,548,466	2,081,592
Writedown in fair value of Investments	0	0	0
Impairment (Loss)/Reversal	0	0	0
(Profit)/Loss on Sale of Asset	(10,060)	(52,224)	36,672
(Increase)/Decrease in Receivables	(1,380,941)	103,786	(103,089)
(Increase)/Decrease in Inventories	4,729	(26,437)	(12,225)
Increase/(Decrease) in Payables	1,072,894	(47,185)	(81,595)
Increase/(Decrease) in Provisions	131,953	0	39,061
Grants/Contributions for the Development of Assets	(6,102,016)	(15,125,902)	(1,032,157)
Net Cash from Operating Activities	<u>3,540,222</u>	<u>(282,483)</u>	<u>2,521,113</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

	2012	2011
	\$	\$
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	216,397	174,031
Loan Facilities - Non-Current	1,665,695	885,917
Total Facilities in Use at Balance Date	<u>1,882,092</u>	<u>1,059,948</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 2012.
- (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 2012

17. CAPITAL AND LEASING COMMITMENTS	2012 \$	2011 \$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	0	0
- later than one year but not later than five years	0	0
- later than five years	0	0
	<u>0</u>	<u>0</u>
(b) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	3,856,994	193,766
Payable:		
- not later than one year	<u>3,856,994</u>	<u>193,766</u>
The capital expenditure projects outstanding at the end of the current reporting period represents		
Town Centre Upgrade	0	3,123
Murat Road	0	19,828
Landscaping Marina	0	83,058
Tantabiddi Boat Ramp	0	50,917
Learmonth Airport Enclose Kiosk	0	36,840
Staff Housing Airconditioners	50,536	0
Lt 115 & Lt 116 Snapper Loop (2 Houses)	873,768	0
RTR - Yardie Creek Road	34,812	0
Computer Equipment	1,500	0
Learmonth Airport Bldg Alterations	21,878	0
Flood Mitigation LIA/Reid St	1,703,711	0
Learmonth Apron Extension	1,167,844	0
Bundegi Carpark Facilities	2,945	0
	<u>3,856,994</u>	<u>193,766</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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:

	2012	2011
	\$	\$
Non-Current Assets		
Land & Buildings	473,802	462,715
Less: Accumulated Depreciation	<u>(223,522)</u>	<u>(193,130)</u>
	<u><u>250,280</u></u>	<u><u>269,585</u></u>

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	52,590	43,306
General Purpose Funding	0	0
Law, Order, Public Safety	677,297	559,160
Health	72,975	77,814
Education and Welfare	759,737	783,327
Housing	3,052,353	2,973,326
Community Amenities	2,007,456	2,042,787
Recreation and Culture	6,570,133	4,795,584
Transport	22,080,108	21,818,526
Economic Services	1,447,889	1,441,943
Other Property and Services	2,185,063	2,313,412
Unallocated	<u>15,727,219</u>	<u>8,187,583</u>
	<u><u>54,632,820</u></u>	<u><u>45,036,768</u></u>

	2012	2011	2010
20. FINANCIAL RATIOS			
Current Ratio	1.68	2.04	2.07
Untied Cash to Trade Creditors Ratio	0.43	1.88	1.41
Debt Ratio	0.08	0.06	0.05
Debt Service Ratio	0.02	0.01	0.01
Gross Debt to Revenue Ratio	0.14	0.10	0.09
Gross Debt to			
Economically Realisable Assets Ratio	0.07	0.05	0.05
Rate Coverage Ratio	0.22	0.28	0.27
Outstanding Rates Ratio	0.29	0.28	0.14

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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 2012

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-11 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-12 \$
Hall & Rec Centre Bonds	5,140	6,200	(6,150)	5,190
Olma Funding	2,423			2,423
Forum Travel Fund	2,990			2,990
NADC	11,335			11,335
Council Nomination Fees	80	800	(800)	80
Cyclone Baptist Needy	2,800			2,800
Sundries	7,844			7,844
Buildings/Planning Bonds	84,900		(1,000)	83,900
Youth Affairs	1,401			1,401
APH Bonds	7,496	770	(250)	8,016
Jurabi Coastal Park	59,400			59,400
Unclaimed Monies	192			192
PACE Programs	620			620
Sub Division Clearance Bond	5,000			5,000
Staff Housing Bonds	0	974		974
Bond Deed Temporary Bund DP6425	98,144		(29,340)	68,804
Regional Collaborative Group Funding	319,700		(260,411)	59,289
Pindan Pit Key Bond	50	50		100
BCITF	0	37,449	(34,283)	3,166
BSL	0	5,599	(2,984)	2,615
Lester group (Guarantee 1438 of 2007)	0	300,000		300,000
Donations for Other Organisations	0	135		135
	<u>609,515</u>	<u>351,977</u>	<u>(335,218)</u>	<u>626,274</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

22. DISPOSALS OF ASSETS - 2011/12 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 \$
Law, Order, Public Safety						
2009 Ford Ranger 3009EX	0	23,432	0	12,240	0	(11,192)
Transport						
1DAO832 Toyota Bus 2005	0	29,214	13,636	7,000	13,636	(22,214)
1DTO375 Mitsub Chall 2011	39,031	0	35,455	0	(3,576)	0
1996 Grader EX3320		37,187		130,000		92,813
2003 Hino Truck EX4463		14,557		15,000		443
2003 Hino Truck EX 4538		15,793		15,000		(793)
2006 Mitsub Canter EX4799		28,461		17,000		(11,461)
2007 Toyota Hilux EX043		7,612		12,240		4,628
	39,031	156,256	49,091	208,480	10,060	52,224

By Class	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant & Equipment						
2009 Ford Ranger 3009EX	0	23,432	0	12,240	0	(11,192)
1DAO832 Toyota Bus 2005	0	29,214	13,636	7,000	13,636	(22,214)
1DTO375 Mitsub Chall 2011	39,031	0	35,455	0	(3,576)	0
1996 Grader EX3320	0	37,187	0	130,000	0	92,813
2003 Hino Truck EX4463	0	14,557	0	15,000	0	443
2003 Hino Truck EX 4538	0	15,793	0	15,000	0	(793)
2006 Mitsub Canter EX4799	0	28,461	0	17,000	0	(11,461)
2007 Toyota Hilux EX043	0	7,612	0	12,240	0	4,628
	39,031	156,256	49,091	208,480	10,060	52,224

Summary

Profit on Asset Disposal
Loss on Asset Disposal

Actual \$	Budget \$
13,636	97,884
(3,576)	(45,660)
<u>10,060</u>	<u>52,224</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

23. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-11 \$	New Loans \$	Principal Repayments		Principal Outstanding 30-Jun-12		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
Loan 77 - Skip Jack Circle Land	318,248		32,466	32,468	285,782	285,780	17,744	17,528
Loan 80 - Staff Dwellings		1,000,000	3,826	21,884	996,174	978,116	3,988	27,500
Community Amenities								
Loan 79 - Rubbish Truck	305,000		96,275	96,275	208,725	208,725	14,685	14,685
Recreation & Culture								
Loan 74 - Waste Water Re-Use	10,000		10,000	10,000	-	-	-	-
Loan 78 - Shire Hall - Airconditioning	20,934		10,222	10,223	10,712	10,711	894	871
Other Properties & Services								
Loan 75 - Office Extensions	36,833		11,514	11,514	25,319	25,319	2,173	2,173
Loan 76 - 1 Bennett St Exmouth	368,931		13,552	13,551	355,379	355,381	18,663	18,426
	1,059,946	1,000,000	177,855	195,915	1,882,091	1,864,032	58,147	81,183

All debenture repayments are financed by general purpose revenue

(b) New Debentures - 2011/12

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 - Staff Dwellings	1,000,000	1,000,000	WA Treasury	Debenture	15	406,659	4.73	873,768	1,000,000	126,232

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

23. INFORMATION ON BORROWINGS

(c) Self Supporting Loans - Interest Free

Particulars	Purpose of Loan	Principal 1-Jul-11	New Loans	Principal Repayments		Principal Outstanding	
				Actual \$	Budget \$	Actual \$	Budget \$
Recreation & Culture							
*Loan A011413 Golf Club 2002	Purchase Tractor	1,000			1,000	1,000	-
*Loan A011406 Bowling Club 2009	Installation of Air Conditioning	16,000		2,000	2,000	14,000	14,000
*Loan A011407 Gymnastics Club		1,541		1,541	1,541	-	-
*Loan A011403 Golf Club 2009	Purchase Slasher	12,000			6,000	12,000	6,000
*Loan A017018 Squash Club 2010	Upgrade Toilet Facilities	22,500		2,500	-	20,000	22,500
*Loan A017003 Golf Club 2012	Storage Shed	-	30,000		-	30,000	-
*Loan A017019 Truscott Club 2012	Replace Cool Room Motors	-	20,000		-	20,000	-
		53,041	50,000	6,041	10,541	97,000	42,500

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

(d) Unspent Debentures

Particulars/Purpose	Dated Borrowed	Balance 1 July 2011 \$	Borrowed During Year \$	Expended During Year \$	Balance 30 June 2012 \$

(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 2011 and 30 June 2012 was \$Nil.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

24. RATING INFORMATION - 2011/12 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2011/12 Rate Revenue \$	Interim Rates \$	TOTAL REVENUE \$	2011/12 Budget Rate Revenue \$	2011/12 Budget Interim Rates \$	2011/12 Budgeted Total Revenue \$
Differential General Rate									
Gross Rental Value (GRV)									
Composite Development	0.0650	45	952,170	61,891	1,381	63,272	61,891		61,891
Industrial	0.0758	35	846,342	64,153		64,153	64,153		64,153
Light Industrial	0.0758	35	745,671	56,522	(683)	55,839	56,522		56,522
Marina	0.1102	363	7,571,560	834,386	26,265	860,651	834,386	12,000	846,386
Mixed Use	0.0758	97	1,730,723	131,189	763	131,952	131,189		131,189
Residential	0.0706	878	13,338,228	941,821	7,554	949,375	941,679	3,000	944,679
Residential Development	0.0593	9	88,470	5,246	(1,423)	3,823	5,246		5,246
Special Rural	0.0593	21	358,010	21,230	(102)	21,128	21,230		21,230
Special Use	0.0593	32	813,770	48,257	3,680	51,937	88,187		88,187
Strategic Industrial	0.0650	10	208,484	13,551	164	13,715	13,551		13,551
Tourist	0.0758	143	2,957,886	224,208	(2,553)	221,655	224,208		224,208
Town Centre	0.0758	65	3,073,700	232,986	(7)	232,979	232,987		232,987
									0
									0
Unimproved Value (UV)									
Aquaculture	0.1331	3	295,000	39,265		39,265	39,265		39,265
Mining	0.1355	34	220,821	29,921	104	30,025	29,921		29,921
Pastoral	0.0547	5	221,940	12,140		12,140	12,140		12,140
Rural	0.1331	0	0	0		0	0		0
Special Use	0.1331	1	300,000	39,930	(78,982)	(39,052)	0		0
Sub-Totals		1,776	33,722,775	2,756,696	(43,839)	2,712,857	2,756,555	15,000	2,771,555

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

24. RATING INFORMATION - 2011/12 FINANCIAL YEAR

RATE TYPE	Minimum Rate	Number of Properties	Rateable Value	2011/12 Rate Revenue	Interim Rates	TOTAL REVENUE	2011/12 Budget Rate Revenue	2011/12 Budget Interim Rates	2011/12 Budgeted Total Revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Minimum Rates									
Gross Rental Value (GRV)									
Composite Development	621.00	0	0	0		0	0		0
Industrial	621.00	1	5,000	621		621	621		621
Light Industrial	621.00	0	0	0		0	0		0
Marina	816.00	0	0	0		0	0		0
Mixed Use	621.00	25	79,018	15,525		15,525	15,525		15,525
Residential	621.00	111	676,740	68,931		68,931	68,931		68,931
Residential Development	105.00	2	2,820	210		210	210		210
Special Rural	621.00	2	18,700	1,242		1,242	1,242		1,242
Special Use	621.00	2	10,348	1,242		1,242	1,242		1,242
Strategic Industrial	621.00	0	0	0		0	0		0
Tourist	621.00	25	180,000	15,525		15,525	15,525		15,525
Town Centre	621.00	0	0	0		0	0		0
Unimproved Value (UV)									
Aquaculture	565.00	0	0	0		0	0		0
Mining	215.00	12	8,239	2,580		2,580	2,580	150	2,730
Pastoral	452.00	1	5,000	452		452	452		452
Rural	452.00	0	0	0		0	0		0
Special Use	565.00	0	0	0		0	0		0
Sub-Totals		181	985,865	106,328	0	106,328	106,328	150	106,478
Specified Area Rates		1,957	34,708,640	2,863,024	(43,839)	2,819,185	2,862,883	15,150	2,878,033
Rate Concessions						50,091			50,091
Totals						(26,620)			(26,620)
						2,842,656			2,901,504

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

24. RATING INFORMATION - 2011/12 FINANCIAL YEAR (cont)

(b) Information on Surplus/(Deficit) Brought Forward	2012 (1 July 2011 B/Fwd)	2011 30 June 2011 C/Fwd)
	\$	\$
Surplus/(Deficit) 1 July 2011 Brought Forward		
<u>Comprises:</u>		
Cash - Unrestricted	395,871	1,131,856
Cash - Restricted	8,130,640	4,937,183
Rates - Current	821,606	768,603
Sundry Debtors	2,103,057	1,049,751
GST Receivable	271,846	-
Inventories	36,960	41,690
<u>Less:</u>		
Reserves - Restricted Cash		
Community Interest Free Loans Reserve	(322,944)	(160,528)
Community Development Fund Reserve	(550,000)	(17,607)
Leave Reserve	(613,253)	(85,164)
Plant Reserve	(936,066)	(587,648)
Road Replacement Reserve	0	(127,273)
North McLeod St Dune Breakout Reserve	0	(65,410)
Waste Management Reserve	(143,409)	(136,793)
Public Open Space Reserve	(281,961)	(268,955)
Swimming Pool Reserve	(284,457)	(123,485)
Shire Staff Housing Reserve	(962,572)	(11,993)
Airport Reserve	(483,704)	(136,563)
Airport Security Equipment Reserve	(1,096,220)	(701,430)
Rehabilitation Reserve	(391,223)	(338,469)
Marina Village Asset Replace & Preservation Reserve	(5,324)	(5,079)
Building Infrastructure Preservation Reserve	(47,922)	(45,712)
Industrial Area Roads Reserve	(28,016)	(26,724)
Town Planning Scheme Reserve	(10,650)	(10,159)
Land Development Reserve	0	0
Unspent Grants & Contributions Reserve	(1,769,171)	(1,292,244)
Carried Over Project Reserve	(203,748)	(795,947)
Sundry Creditors	(1,961,313)	(888,418)
Surplus/(Deficit)	1,668,027	2,103,482

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

25. SPECIFIED AREA RATE - 2011/12 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Marina Specified Area	0.0113	GRV	4,432,860	50,677	50,091	50,677	50,091
Interim Marina Specified Area				(414)	0	(414)	0
				50,263	50,091	50,263	50,091

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 - 2011/12 FINANCIAL YEAR

Council did not charge a service charge in 2011/12.

27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2011/12 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Rates - A1332	Concession	80%	24,597	24,597
Rates - A1333	Concession	80%	2,023	2,023
			26,620	26,620

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

28. INTEREST CHARGES AND INSTALMENTS - 2011/12 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		95,173	15,000
Interest on Instalments Plan	5.50%		0	4,000
Charges on Instalment Plan		11.50	21,081	8,000
			116,254	27,000

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 2011.

Option 2 (4 Instalments)

First instalment	due 2 September 2011
Second instalment	due 2 November 2011
Third instalment	due 4 January 2012
Fourth instalment	due 4 March 2012

Option 3 (2 Instalments)

First instalment	due 2 September 2011
Second instalment	due 2 November 2011

29. FEES & CHARGES

	2012 \$	2011 \$
General Purpose Funding	75,873	21,206
Governance	0	0
Law, Order, Public Safety	7,108	17,139
Health	48,118	39,272
Education & Welfare	9,157	33,979
Housing	252,860	240,111
Community Amenities	813,980	817,839
Recreation & Culture	72,962	77,973
Transport	4,849,692	2,776,951
Economic Services	265,510	252,936
Other Property & Services	175,110	150,846
	<u>6,570,370</u>	<u>4,428,252</u>

There was a change during the year to the amount of the fees or charges detailed in the original budget for building fees and Learmonth Heliport.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

30. GRANT REVENUE

2012
\$

2011
\$

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

By Nature or Type:

Operating Grants, Subsidies and Contributions	3,322,004	2,535,249
Non-Operating Grants, Subsidies and Contributions	6,102,016	1,032,157
	<u>9,424,020</u>	<u>3,567,406</u>

By Program:

General Purpose Funding	2,170,162	1,656,267
Governance	8,233	0
Law, Order, Public Sector	201,466	126,024
Health	0	0
Education & Welfare	101,796	0
Housing	246,791	0
Community Amenities	626,000	160,000
Recreation and Culture	2,657,696	849,760
Transport	3,184,732	692,136
Economic Services	180,017	67,580
Other Property & Services	47,127	15,638
	<u>9,424,020</u>	<u>3,567,406</u>

2012
\$

2012
Budget
\$

2011
\$

31. COUNCILLORS' REMUNERATION

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

President's Allowance	8,453	7,915	7,662
Deputy President's Allowance	1,987	1,978	1,915
Councillor Meeting Fees	33,118	35,659	35,883
Telecommunications Allowance	9,216	18,870	14,007
	<u>52,774</u>	<u>64,422</u>	<u>59,467</u>

32. EMPLOYEE NUMBERS

2012

2011

The number of full-time equivalent employees at balance date

69.7

54.6

33. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2011/12 financial year.

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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.

	2012	2012 Budget	2011
	\$	\$	\$
Operating Revenue			
Fees & Charges	0	57,500	67,954
Fees - Landing	0	1,850,000	1,949,536
Fees - Security	0	500,000	675,937
Advertising	0	200	1,410
Leases & Rentals	0	60,216	50,886
Fees & Charges	4,871,278	0	0
Grants & Subsidies	1,254,547	1,479,900	0
	<u>6,125,825</u>	<u>3,947,816</u>	<u>2,745,723</u>
Operating Expenditure			
Maintenance Expenses	0	(156,935)	(50,262)
Consultants	0	(28,000)	(71,369)
Security Costs	0	0	(34,899)
Contributions Bus Service	0	0	(32,410)
Audit/Inspection Fees	0	(9,600)	0
Agency Collection Fees	0	(9,000)	(8,647)
Employee Costs	(1,462,189)	(784,897)	(753,255)
Materials & Contracts	(252,312)		
Utilities	(189,257)	(240,055)	(238,027)
Rent	(269,192)	(123,396)	(107,802)
Insurance	(49,911)	(56,757)	(48,148)
Other Expenditure	(380,627)	(373,304)	(286,406)
Depreciation	(380,771)	(491,339)	(313,885)
	<u>(2,984,259)</u>	<u>(2,273,282)</u>	<u>(1,945,110)</u>
Operating Surplus/(Deficit)	<u>3,141,566</u>	<u>1,674,534</u>	<u>800,613</u>
CAPITAL EXPENDITURE			
Land & Buildings	(251,772)	(326,412)	
Furniture and Equipment	(377,972)	(331,376)	(21,548)
Infrastructure Other	(1,167,844)	(1,854,085)	0
Plant and Equipment	(254,667)	(90,000)	0
Transfer to/from Reserve	(571,205)	109,070	(364,120)
	<u>(2,623,460)</u>	<u>(2,492,803)</u>	<u>(385,668)</u>
TOTAL NET RESULT	<u>518,106</u>	<u>(818,269)</u>	<u>414,945</u>

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	8,526,511	6,069,039	8,526,511	6,069,039
Receivables	3,306,797	1,881,897	3,306,797	1,881,897
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>11,833,308</u>	<u>7,950,936</u>	<u>11,833,308</u>	<u>7,950,936</u>
Financial Liabilities				
Payables	1,961,312	888,418	1,961,312	888,418
Borrowings	1,882,092	1,059,948	1,882,092	1,059,948
	<u>3,843,404</u>	<u>1,948,366</u>	<u>3,843,404</u>	<u>1,948,366</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 2012

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.

	2012	2011
	\$	\$
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	128,557	52,943
- Statement of Comprehensive Income	105,814	23,845

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 2012

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:

	2012	2011
Percentage of Rates and Annual Charges		
- Current	0%	9%
- Overdue	100%	91%
Percentage of Other Receivables		
- Current	89%	82%
- Overdue	11%	18%

SHIRE OF EXMOUTH

Notes to and forming part of the Financial Report
for the Year Ended 30 June 2012

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 %
2012								
Borrowings								
Fixed Rate Debentures		(244,755)				(1,637,335)	(1,882,090)	5.02%
Weighted Average Effective Interest Rate		5.46				4.96		
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		



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

Unit 8 / 7 Hector Street, Osborne Park WA 6017

PO Box 1357, Osborne Park WA 6916

Phone: (08) 9445 9955 Fax: (08) 9445 9966

ABN 59 125 425 274

Website: www.amwaudit.com.au

Liability limited by a scheme approved under Professional Standards Legislation

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 2012. The financial report comprises the Statement by Chief Executive Officer, Statements of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Rate Setting Statement and accompanying notes to the financial statements.

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

Audit Approach

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

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

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

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

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



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 2012 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 17th day of December in Perth, Western Australia

BILLY-JOE THOMAS
Director

Anderson Munro & Wyllie
ANDERSON MUNRO & WYLLIE
Chartered Accountants