



**Shire of Derby /  
West Kimberley**

# **UNCONFIRMED MINUTES**

**Annual General Meeting**

**Thursday, 20 July 2023**

**Date: Thursday, 20 July 2023**

**Time: 4:30pm**

**Location: Council Chambers  
Clarendon Street  
Derby**



**Order Of Business**

<b>1</b>	<b>Declaration of Opening, Announcements of Visitors .....</b>	<b>3</b>
<b>2</b>	<b>Attendance via Telephone/Instantaneous Communications.....</b>	<b>3</b>
<b>3</b>	<b>Confirmation of Minutes of Previous Meetings .....</b>	<b>3</b>
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4.2	QUESTIONS FROM ELECTORS ON ITEMS RELATING TO THE ANNUAL REPORT 21/22 .....	85
<b>5</b>	<b>General Business .....</b>	<b>85</b>
5.1	QUESTIONS FROM ELECTORS ON ITEMS RELATING TO OTHER MATTERS .....	85
<b>6</b>	<b>Closure.....</b>	<b>85</b>
6.1	Closure of Meeting.....	85

**MINUTES OF SHIRE OF DERBY / WEST KIMBERLEY  
ANNUAL GENERAL MEETING  
HELD AT THE COUNCIL CHAMBERS, CLARENDON STREET, DERBY  
ON THURSDAY, 20 JULY 2023 AT 4:30PM**

- PRESENT:** Cr Geoff Haerewa (Shire President), Cr Peter McCumstie (Deputy Shire President), Cr Rowena Mouda, Cr Andrew Twaddle and Cr Paul White.
- IN ATTENDANCE:** Wayne Neate (Director of Technical and Development Services), Neil Hartley (Director of Strategic Business)(MS Teams), Christie Mildenhall (Acting Director of Community Services)(MS Teams), Tamara Clarkson (Acting Director of Corporate Services)(MS Teams), Maria O'Connell (Media Officer)
- VISITORS:** Nil
- GALLERY:** Tony Gavranich
- APOLOGIES:** Nil
- APPROVED LEAVE OF ABSENCE:** Cr Pat Riley
- ABSENT:** Nil

**1 DECLARATION OF OPENING, ANNOUNCEMENTS OF VISITORS**

The meeting was opened at 4:36pm by Geoff Haerewa – Chair.

**2 ATTENDANCE VIA TELEPHONE/INSTANTANEOUS COMMUNICATIONS**

- Nil

**3 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

**3.1 ANNUAL GENERAL MEETING OF ELECTORS HELD 24 NOVEMBER 2022**

**COMMITTEE RESOLUTION AGMCC01/23**

**Moved:** Cr Paul White

**Seconded:** Cr Rowena Mouda

**That the Minutes of the Annual General Meeting held at the Fitzroy Crossing, Karrayili Adult Education Centre, on 24 November 2022 be CONFIRMED.**

**In Favour:** Crs Geoff Haerewa, Rowena Mouda, Andrew Twaddle, Paul White, Peter McCumstie and Tony Gavranich

**Against:** Nil

**CARRIED 6/0**

**REPORTS****4 EXECUTIVE SERVICES****SUSPENSION OF STANDING ORDERS****COMMITTEE RESOLUTION AGMCC02/23****Moved: Cr Paul White****Seconded: Cr Andrew Twaddle**

A motion was moved that Council suspend standing orders.

In Favour: Crs Geoff Haerewa, Rowena Mouda, Andrew Twaddle, Paul White, Peter McCumstie and Tony Gavranich

Against: Nil

**CARRIED 6/0****RESUMPTION OF STANDING ORDERS****COMMITTEE RESOLUTION AGMCC03/23****Moved: Cr Paul White****Seconded: Cr Andrew Twaddle**

A motion was moved that Council resume standing orders.

In Favour: Crs Geoff Haerewa, Rowena Mouda, Andrew Twaddle, Paul White, Peter McCumstie and Tony Gavranich

Against: Nil

**CARRIED 6/0****4.1 PRESENTATION OF THE 2021/2022 ANNUAL REPORT****ATTACHMENTS****1. Annual Report 2021/2022****COMMITTEE RESOLUTION AGMCC04/23****Moved: Cr Rowena Mouda****Seconded: Cr Paul White**

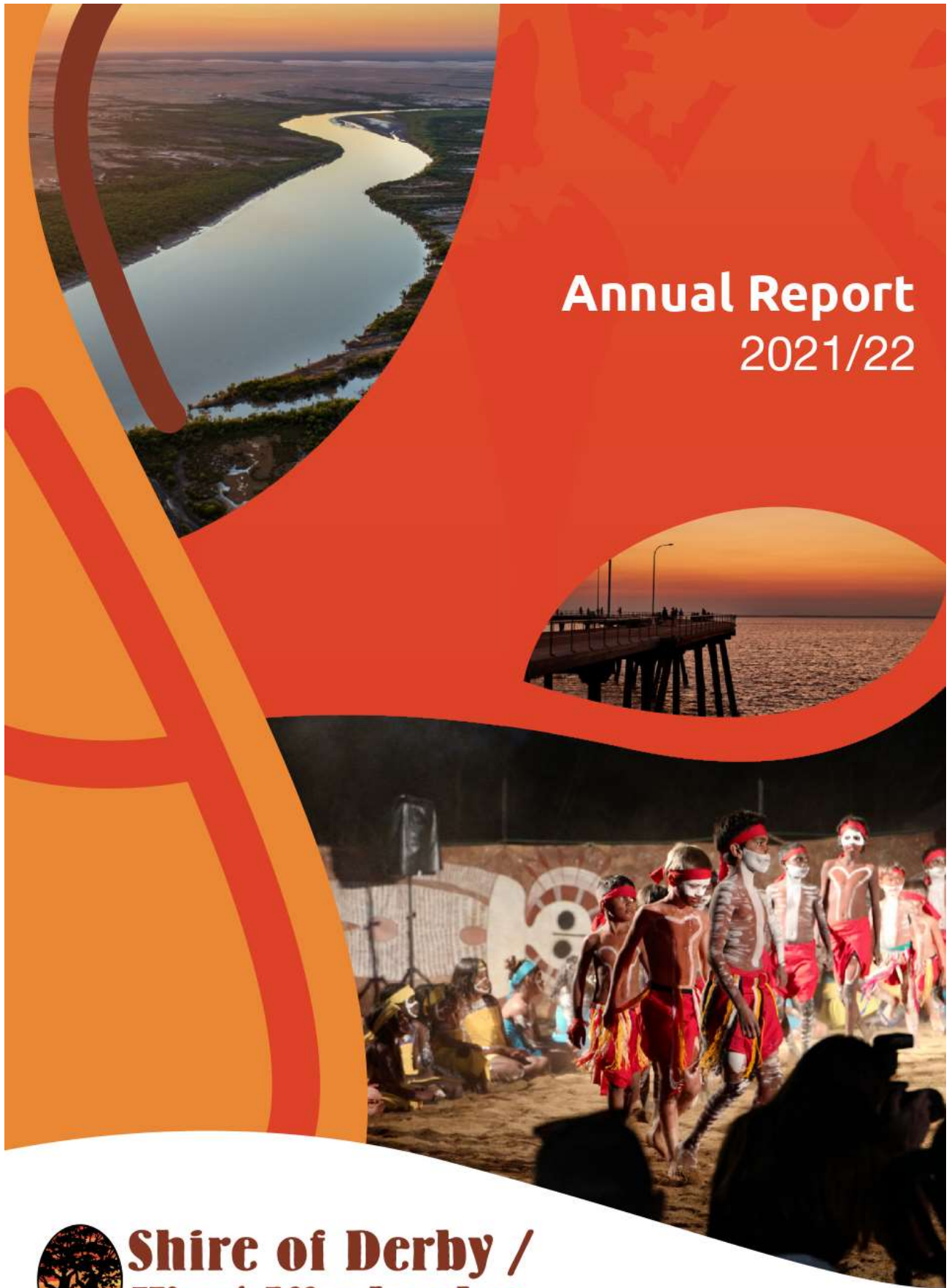
**That the Annual Report for the period 1 July 2021 to 30 June 2022 as presented, be received.**

In Favour: Crs Geoff Haerewa, Rowena Mouda, Andrew Twaddle, Paul White, Peter McCumstie and Tony Gavranich

Against: Nil

**CARRIED 6/0**





**Annual Report**  
2021/22



**Shire of Derby /  
West Kimberley**

# Acknowledgement of Country

The Shire Derby/West Kimberley acknowledge Aboriginal people as the Traditional Custodians of this land and its waters. The Shire pays respect to all Elders past, present and upcoming, of the Aboriginal Nations of Australia and extend that respect to all Aboriginal people.





## Our Community and Aboriginal Heritage

**The area now known as the Shire of Derby/West Kimberley has a diverse Indigenous Australian heritage.**

Across this area a large number of language and cultural groups have a long history that predates European contact.

Traditionally, prior to contact, Aboriginal people from the Warrwa, Bardi, Jawi, Ngarinyin, Worrorra, Nyikina, Mangala, Unggumi, Bunuba, Walmajarri, Kija, Gooniyandi, Oogardang, Oomeday, Yow Jabi and Wangkatjunka language groups (among others) would interact for lore and ceremonial business.

Our Shire is home to over 8,941 people living in 54 sites across the vast West Kimberley.

The Gibb River Road, the mighty Fitzroy River, the Devonian Reef and the amazing Horizontal Waterfalls are just a few of the incredible assets that make up our 118,560km<sup>2</sup>.

The Shire of Derby/West Kimberley looks forward to an ongoing partnership with Aboriginal organisations to improve the wellbeing of our Aboriginal communities and residents.



Shire of Derby/West Kimberley

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# Our Annual Report

**The Shire of Derby/West Kimberley proudly presents this annual report which highlights our activities and achievements over the 2021/22 financial year.**

With an emphasis on best practice and continual improvement, the information in these pages sets out a snapshot of the Shire's progress over this period focusing on Leadership and Governance, Community, Economy and Environment.

It is organised to align with our Strategic Community Plan 2021-2031 and associated documents. These plans highlight the strategic vision for the Shire of Derby/West Kimberley based on our vision and values.

**Leadership and Governance**

**Community**

**Economy**

**Environment**

Our annual report focuses on the key projects delivered in 2021/22, under each theme, documenting our progress towards realising our community vision:

**'A place where people want to live, invest, visit and return to'**

We will work towards our vision whilst demonstrating these values:

We are **PROUD** of who we are and where we live

We will create a **POSITIVE LEGACY** for our children and children's children.

We will go about our business with **INTEGRITY, TRANSPARENCY and AUTHENTICITY**

We value and **RESPECT** what our community has to say and will strive to make things happen.

We are **PROUD** of and value the **KNOWLEDGE** of our diverse and strong people and cultures.

We value our **RELATIONSHIPS** and will work with others to achieve common goals and gain maximum impact.

We are **PROUD** of and **COMMITTED** to the responsible preservation of our unique natural environment and making sure our built environment reflects our current and future needs.

We are open for and encourage business, industry and all aspects of **COMMUNITY DEVELOPMENT**, particularly our thriving arts and cultural scene.

Copies of the Strategic Community Plan 2021-2031 can be downloaded from our website:

<https://www.sdwk.wa.gov.au/council/integrated-planning-reporting/strategies-plans-reports.aspx>

Our financial statements have been certified by an independent auditor.



# Quick Facts For 2021/22



## President and Chief Executive Officers' Report



### **COVID-19 is still having a major impact across the globe, and the Shire is feeling that.**

Thankfully the people in our district are suitably safe, but the repercussions of COVID-19 is still having a significant impact upon the Shire's operations, in particular, with staff off work due to illness, operational cost increases imposed on us by others, and our ability to locate sufficient supplies, or suppliers, of our services.

The Shire's Strategic Plan continues to guide the organisation and the services we provide, and notwithstanding COVID-19, we have still managed to continue to improve our service levels and to manage our district's needs.

It was a great honour and privilege to continue to work together with our neighbouring Councils through the work of the Kimberley Regional Group (KRG) to push community safety at every level. The group was instrumental in implementing the bio security measures which protected our very vulnerable

communities and first nation's peoples, and whilst it had severe impacts on tourism, it ensured that our families, elders and loved ones were one of the world's least impacted by COVID – 19.

The Presidents of the Kimberley Regional Group remain united in lobbying for improved social and community outcomes for the residents of the Kimberley and one example of this was the lobbying undertaken at Parliament House during 2021/22. To be able to impress upon our federal politicians the challenges being faced by Kimberley communities is critical to ensuring that even with our relatively small voter population, we are not forgotten. We have been successful in doing that in 2021/22 and will continue to do so in future years.

Economic development is part of the foundation of maintaining the district's financial wellbeing. It provides local jobs, and enables local businesses to contribute to the community. Our commitment to economic growth and development across the Shire continues and one good example of how we have been successful in that, is our review of the Kimberley Mineral Sands lease (KMS).

We are very pleased to have KMS as a continuing stakeholder at the Derby Port and our new lease provides a win/win outcome for us both, with KMS retaining a vital option for its sand mining export operation, and the Shire gaining either higher port fees if the Derby Port is utilised, or alternative payments should KMS choose to use an alternative port option.

Council was excited to receive the Federal Government stimulus through the Local Roads and Infrastructure Fund; of this \$741,830 will be utilised to deliver on some of the communities' requests outlined in the Community Strategic Plan. The following long-time requests were considered by Council and approved for construction in 2021/22:

- Seating and shelter at the Fitzroy Crossing Cemetery
- Seating and shelter at the Derby Cemetery
- Installation of a disabled access ramp at Wharfinger House Museum




- Mural, installation of seating and upgrades to the Fitzroy Crossing Visitors Centre
- Derby lane way lighting and gating
- Sutherland Street footpath installation.

Our achievements and successes are only possible by building and working collaboratively with our partners. We would like to acknowledge our local partners – the Aboriginal PBC’s, the Aboriginal corporations and local State and Federal Government agencies, our local State and Federal members, our many community, sporting and cultural, environmental and not-for-profit partners and agencies and our amazing volunteers.

Despite continuing to be challenged by the COVID -19 pandemic, we would like to acknowledge and thank our Councillors and staff for all they have achieved this year.

There is so much to be positive about and the resilience shown by all has demonstrated what can be done when we are clear about our purpose and when we work with our residents, ratepayers, businesses, strategic partners and other key agencies to get the job done.

In conclusion, thank you to our residents, ratepayers and businesses. You all play such a valuable role in contributing, and in therefore making the Derby/West Kimberley district what it is today. The Shire in doing its part, commits to continuing to work hard on maintaining our strategic position of being.... *‘A place where people want to live, invest, visit and return to’*



**Geoff Haerewa**  
President



**Amanda Dexter**  
Chief Executive Officer



**Alan Thornton - Acting Director - Corporate Services**

**Amanda - CEO**

**Neil Hartley - Director - Strategic Business**

**Christie Mildenhall - Acting Director - Community Services**

**Wayne Neate - Director - Technical and Development Services**

Shire of **Derby/West Kimberley**

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## Councillors

### Cr Geoff Haerewa

President



*Term Expires 2025*

Committees, advisory groups, working groups and external bodies

- Audit Committee
- CEO Recruitment and Performance Review Committee
- Shire of Derby/West Kimberley Recovery Committee
- Local Government Development Assessment Panel (DAP)
- Local Emergency Management Committee
- Derby/West Kimberley Liquor Accord
- Derby Aboriginal Corporation Alliance (DACA)
- Kimberley Zone Representative
- Kimberley Regional Group Representative
- Regional Collaborative Group Board
- Youth Portfolio – Derby
- Education Portfolio – Derby & Fitzroy Crossing
- Regional Projects Portfolio – Derby
- Community Safety Portfolio – Derby
- Sport and Recreation Portfolio – Derby & Fitzroy Crossing

### Cr Peter McCumstie

Deputy President



*Term Expires 2025*

Committees, advisory groups, working groups and external bodies

- Audit Committee
- CEO Recruitment and Performance Review Committee
- Local Government Development Assessment Panel (DAP)
- Kimberley Zone Representative
- District Health Advisory Council for Derby
- Derby Aboriginal Health Service – Local Advisory Committee
- Aged and Seniors – Derby

### Cr Paul White

Councillor



*Term Expires 2023*

Committees, advisory groups, working groups and external bodies

- CEO Recruitment and Performance Review committee
- Local Government Development Assessment Panel (DAP)
- Regional Road Group
- Roadwise Committee
- Chamber of Commerce and Small Business Portfolio



**Cr Keith Bedford**  
Councillor



*Term Expires 2023*

Committees, advisory groups, working groups and external bodies

- Audit Committee
- CEO Recruitment and Performance Review committee

**Cr Rowena Mouda**  
Councillor



*Term Expires 2023*

Committees, advisory groups, working groups and external bodies

- CEO Recruitment and Performance Review committee

**Cr Pat Riley**  
Councillor



*Term Expires 2023*

Committees, advisory groups, working groups and external bodies

- Audit Committee
- CEO Recruitment and Performance Review committee

## Councillors

### Cr Linda Evans

Councillor



*Term Expires 2025*

Committees, advisory groups, working groups and external bodies

- CEO Recruitment and Performance Review committee
- Pastoralist Portfolio
  - o Pastoralists and Graziers Association (PGA)
  - o Kimberley Pilbara Cattlemen's Association (KPCA)

### Cr Andrew Twaddle

Councillor



*Term Expires 2023*

Committees, advisory groups, working groups and external bodies

- Audit Committee
- CEO Recruitment and Performance Review committee
- Shire of Derby/West Kimberley Recovery Committee
- Local Government Development Assessment Panel (DAP)
- Local Emergency Management Committee
- Derby/West Kimberley Liquor Accord
- Pastoralists and Graziers Association (PGA)
- Kimberley Pilbara Cattlemen's Association (KPCA)

### Cr Geoff Davis

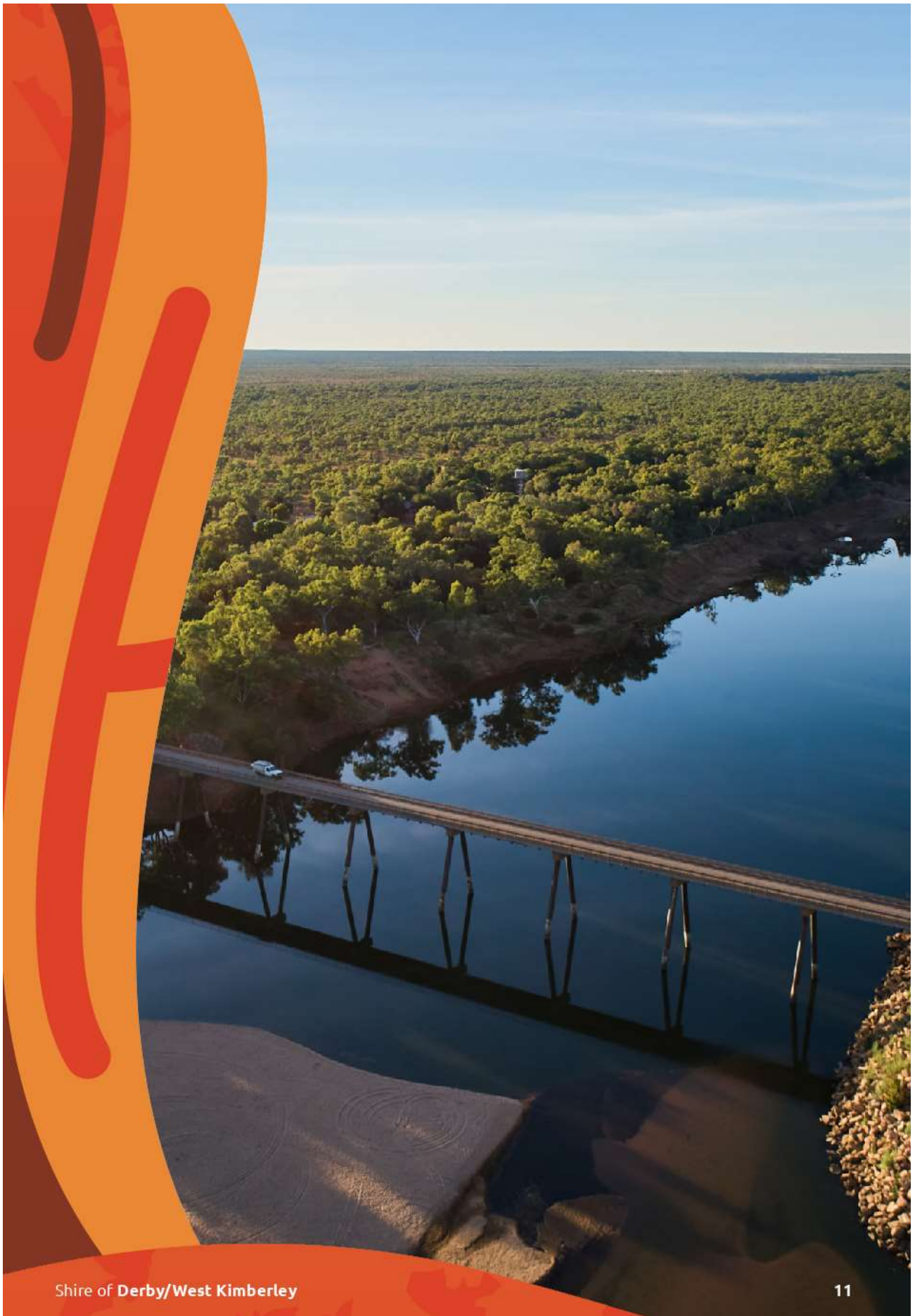
Councillor



*Term Expires 2025*

Committees, advisory groups, working groups and external bodies

- Fitzroy Valley development
- Local Emergency Managements committee
- CEO Recruitment and Perform Review committee



Shire of Derby/West Kimberley

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### Elected Members Attendance at Council Meetings

Elected Members attended the following Ordinary and Special Council Meetings Council meetings during the 2021/22 year:

Councillor	29	26	31	30	18	28	25	9	24	24	31	28	26	29
	Jul	Aug	Aug	Sep	Oct	Oct	Nov	Dec	Feb	Mar	Mar	Apr	May	June
	2021	2021	2021	2021	2021	2021	2021	2021	2022	2022	2022	2022	2022	2022
	OCM	OCM	Special	OCM	Special	OCM	OCM	OCM	OCM	Special	OCM	OCM	OCM	OCM
<b>G Haerewa</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
<b>P McCumstie</b>	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>K Bedford</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>R Mouda</b>	LOA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	LOA
<b>P Riley</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A
<b>P White</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>A Twaddle</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	LOA	✓	✓
<b>G Davis</b>	✓	✓	✓	✓	✓	✓	✓	LOA	✓	✓	✓	✓	✓	A
<b>L Evans</b>	N/A	N/A	N/A	N/A	✓	✓	✓	✓	LOA	✓	✓	✓	✓	A

### Shire Staff



# The 2021/22 Year in Review

Set out under strategic plan framework

Community	Environment	Economy	Leadership and Governance
Derby and Fitzroy Crossing Expos	Derby Airport	Tourism	Records Management
School Holiday Programs	Fitzroy Crossing Airport		Governance and Compliance
Youth Services	Derby Wharf	Fitzroy Crossing Visitor Centre	Council Meetings
Library Services	Transport and Safe Infrastructure		Procurement Compliance
Heritage	Town Planning		State and Federal Government Legislation
Kimberley Art Prize & Kimberley Photographic Award	Environmental Health	Annual Budget	Corporate Compliance Calendar Initiative
Australia Day Awards	Aboriginal Environmental Health (AEHU)		Delegations and Policies
Community Grants and Sponsorships	Building Services		Cyber Security
Aquatic and Recreation	Waste Management		Community and Commercial Land Arrangements
Disability Access and Inclusion	Ranger Services		Continuous Improvement
			Financial Sustainability
			People and Culture
			National Competition Policy – Compliance
			Register of Complaints
			Freedom of Information
			Public Interest Disclosure
			Register of Gifts
			Customer Service



## Community

### Kimberley Art and Photographic Prize (KAPP 50th)

After having to cancel the 2020 event due to COVID-19, the Shire was pleased to be finally able to present the 50th anniversary edition of the Kimberley Art Prize and Photographic Prize (KAPP) at a new venue, the Derby Airport. The exhibition, curated by Jessica Bidewell, ran for two weeks and was enjoyed by over 1500 people. Upon arrival, visitors were able to view the previous winners of the Kimberley Art Prize, before moving their way through to the gallery exhibiting all this year's submissions (106 art and 29 photographic entries in nine different categories were received).

Judges Sharon Tassicker, Sarah Landro and Mark Kraljevich awarded this year overall art prize to Joshua Cocking for his self-portrait '14 Years Remote', a piece which reflected on his time in the Kimberley. Rocky McKenzie's photograph, 'Our ancestors live among us', which depicts ancestors living among and watching over the younger generations, was selected as the overall winner of the photographic prize. Both pieces have been acquired for inclusion in the Shire's art collection.

This year, for the first time, we were fortunate to have local artist Roxanne Anderson present daily art workshops. These workshops were well received with many people sitting under the boab tree on the deck yarning with Roxanne and learning the art of dot painting.

We would like to acknowledge event sponsors for their support of the 2021 Kimberley Art and Photographic Prize; Kimberley Port Authority, Derby Fuels, Derby Australian North West Tourism, Derby Plumbing and Gas, Mount Gibson Iron Ore, Kimberley Pharmacy Services, Vision Power, Kimberley Home and Electrical, Kimberley Art Network, Buckley's Earthmoving, Mitchell Plastic Welding, Pritchard Francis, Rusty's IGA, Woolworths Derby, Pearl Coast

Framing, DWA Industrial Resources, Centurion Transport, Derby Bus Service and Aviair.

### Celebration of the Centenary of the Postal Flight

On 5 December 1921 Major Norman Brearley made aviation history by undertaking the first airmail service to Derby. A century later, Derby reflected on this life-changing service for those people living in remote Western Australia. On the 18 September 2021, 55 members of the Royal Aero Club of WA and their 23 planes, flew into Derby, completing the final leg of their re-enactment of Major Brearley's first flight. Attendees at the ceremony were given the opportunity to walk onto the airport tarmac to view the planes up close. There was also an aviation display of some of Derby's aviation history since the 1920's.

### Vaxathon Success

The Shire continued in 2021/22 to play its part in informing the community about COVID-19 and to highlight their access to vaccinations. This was achieved by working closely with a number of state and federal agencies.

### Youth Centre Grant – Reds Grant

The Shire received a grant from the Kimberley Development Commission to give the kitchen at the Derby Youth Centre a much-needed refit. New stainless steel benches and work spaces were also installed, along with a commercial dishwasher and a stove, oven and range hood. A splash of new paint finished off the upgrade. The renovation has meant the kitchen is now of a commercial kitchen standard allowing food preparation for the program to be undertaken in the space. We look forward to being able to run food-based programs for young people in this space in the future.

## Disability Access and Inclusion Plan Finalised

2021/22 saw the development and endorsement of the Shire's new Disability Access and Inclusion Plan (DAIP) 2022 - 2027. The plan seeks to build on the Shire's previous plan in ensuring the services, events and facilities of the Shire are accessible to everyone. The plan was developed based on feedback received from the community through online surveys, pop-up stalls, staff surveys and meetings with various community groups who play a role in providing services to people with disability.

The Shire also continued to work on the implementation of the actions in the DAIP (2016 to 2021). On 3 December 2021, the inaugural International Day of People with Disability event was held in conjunction with Far North Community Services at the Derby Airport. The event was planned primarily by community members living with disability and included an art exhibition, musical performances, a tradeshow from providers who offer services to people with disability and an amazing spread of food. The event was attended by over 100 people (including a group who made the trek from Fitzroy Crossing).

Other achievements included the installation of an access ramp at Wharfinger House and an upgrade of the AV system in the Council Chamber, which includes hearing loop technology and AV screens.

## Derby and Fitzroy Crossing Expos

The Community Expos held in Derby and Fitzroy Crossing were highly successful events that brought together residents, local businesses, and community organisations. These expos provided an opportunity for the community to showcase their products and services, engage in networking, and foster a sense of togetherness. The expos featured interactive displays, informative presentations, and entertainment, making them a vibrant platform for exchanging ideas and promoting local initiatives.

## School Holiday Programs

The Shire of Derby/West Kimberley organised a range of engaging and educational youth programs during school holidays. These programs aimed to provide a safe and supportive environment for young people to learn new skills, participate in recreational activities, and form meaningful connections. The diverse program offerings included sports clinics, arts and crafts workshops, outdoor adventures, and cultural experiences.

By offering these programs, the Shire aimed to promote personal development, social inclusion, and the overall well-being of the youth in the community.

## Youth Services

The Shire of Derby/West Kimberley's Youth Services played a crucial role in supporting and empowering young people in the region. The dedicated team provided a wide range of services, including mentoring, diversional activities, recreational activities, and referral services. Through targeted interventions, the Youth Services team aimed to address the unique challenges faced by young individuals, promote their personal growth, and enhance their social and emotional well-being. The team also worked closely with local schools, community organisations, and stakeholders to create a supportive network for the youth.

## Library Services

The Shire's Library Services continued to be a valuable resource for residents, offering access to a diverse range of books, digital resources, and educational materials. The library served as a hub for community engagement, hosting various events such as book clubs, storytime sessions, and workshops. Additionally, the library provided computer and internet access, supporting digital literacy and ensuring equal opportunities for information and education. The dedicated library staff played a vital role in connecting community members with knowledge and fostering a love for reading and learning.

## Heritage

Wharfinger House, a historical landmark in the Shire of Derby/West Kimberley, remained a focal point for community activities and events. The house's heritage value was upheld through preservation efforts and maintenance, ensuring its continued significance as a community gathering space. The Shire facilitated the use of Wharfinger House for meetings, workshops, exhibitions, and cultural events, promoting community engagement and supporting local initiatives. The house served as a symbol of the region's history and a testament to the Shire's commitment to preserving its unique architectural and cultural heritage.



## Australia Day Awards

The Australia Day Awards celebrated the outstanding achievements and contributions of individuals and community groups within the Shire of Derby/West Kimberley. The awards recognised excellence in various categories, including community service, arts and culture, sports, and environmental stewardship. The annual ceremony provided an opportunity to acknowledge the dedication and hard work of individuals and organisations, fostering a sense of pride and community spirit. The Australia Day Awards highlighted the positive impact made by community members and inspired others to contribute to the betterment of the Shire.

The 2022's Citizen of the year awards saw 16 nominations across four categories.

The winners of each category were:

Citizen of the Year: Kerry Leamy

Citizen of the Year (Youth): Louise Albert

Citizen of the Year (Senior): Fred Russ

Group or Event of the Year: Derby Rodeo & Horse Riding Club

## Community Grants and Sponsorship

The Shire of Derby/West Kimberley's Community Grants and Sponsorships program supported local

initiatives and projects that aimed to enhance community life. Through financial assistance, the Shire helped community organisations, clubs, and groups realise their goals and bring their ideas to fruition. The grants and sponsorships covered a diverse range of areas, including sports, arts and culture, environmental conservation, and community development. By providing these opportunities, the Shire empowered community members to actively participate in shaping their local environment and creating positive social change.

## Aquatics and Recreation

The Shire of Derby/West Kimberley's Aquatics and Recreation programs played a vital role in promoting healthy and active lifestyles among residents. The Shire provided a variety of recreational activities, including swimming lessons, sports leagues, fitness classes, and community events. These programs catered to people of all ages and abilities, encouraging physical activity, social interaction, and the development of new skills. The Shire's aquatic facilities, sports fields, and recreational spaces were well-maintained, providing safe and enjoyable environments for the community to engage in active living and leisure pursuits.





# Environment

## Derby Airport

Operations of Derby Airport continued and services picked up with the continuation of Horizontal Fall flights in the dry of 2021 and increased again in the first half of 2022. The airport also saw the introduction of the Derby to Broome RPT service with staff undertaking the check-ins and baggage handling for the service.

## Fitzroy Crossing Airport

Operations continued as normal. The previous defect, which is of concern to the Civil Aviation Safety Authority and the Shire, has been noted and there have been significant advancements with the securing of funding to get a resolution to the issue.

## Derby Wharf

Operations continued as normal. With the full takeover from the Department of Transport by the Kimberley Port Authority (KPA), the Shire is now being required to meet several of its lease obligations which has increased the staff time in management of the port. KPA also undertook some major repair work to the northern abutment with some funding for the project supplied by the Shire.

## Transport and Safe Infrastructure

Road transport infrastructure remained a feature of the budget with \$12 million allocated for various road construction, drainage and other infrastructure.

- Work continued on the flood damage from event AGRN 907 from 2020
- Completed reconstruction of a section of Fitzroy Street at a cost of \$430,000
- Completed the reconstruction and sealing of Clarendon Street at a cost of \$450,000
- Began large resealing program in Derby at a value of \$650,000
- Completed re-sheeting and drainage works for Camballin Road at a value of \$580,000

- Completed the gravel re-sheeting, formation works and improvements to drainage on the Calwynyardah-Noonkanbah Road and the Noonkanbah-Millijiddee Road to the value of \$325,000
- Work began on repairing damage after event AGRN 1013 in early 2022.

## Town Planning

The Minister for Planning's Notice of Exemption in response to COVID-19 issued on 8 April 2020 continued to remain in effect during the reporting period. This included a range of temporary exemptions from certain approvals and requirements within the local planning framework. The changes removed the need to obtain planning approval in order to support businesses, enable flexible responses in a changing environment and guarantee the provision of essential community services and include:

- Medical or health-related facilities required in response to the COVID-19 pandemic
- Truck and logistics companies needing to deliver goods but were restricted with loading and unloading times
- Businesses seeking to adapt by changing their current approved use
- Restaurants and cafes required to sell takeaway in contravention of current planning conditions
- People operating their businesses from residential zones
- The parking of commercial vehicles on residential properties
- Businesses needing to change signage
- Provision of temporary workers' accommodation, and
- A blanket two-year extension for all current development approvals.

### **Planning Controls**

Plans or strategies are prepared for specific precincts to account for local history and character and/or specific land use and planning issues. Such studies relevant to the Shire include:

- Coastal Vulnerability Study as it applies to the Derby town site
- Fitzroy Futures Town Plan as the basis for the planning of Fitzroy Crossing, and
- Local Planning Strategy as the framework for local planning and the strategic basis for the planning of the Shire.

Local Planning Schemes (LPS) No. 5 and No. 7 remain in force (without modification) and in November 2021, the Minister for Planning approved Interim Development Order No. 9 (IDO No. 9) and which covers the majority of the Shire.

### **Planning Scheme Review**

The Planning and Development Act 2005 requires that local planning schemes be reviewed periodically. A new Local Planning Scheme will be the statutory document that controls the use and development of land within the whole of the Shire of Derby/ West Kimberley.

Council previously resolved to prepare a new local planning scheme (LPS No. 8) to supersede both LPS No.5, No.7 and IDO No. 9 and which will continue to be progressed.

The time under legislation to progress LPS No. 8 has lapsed so Council is now proceeding with the new local planning scheme (LPS No. 9) which will in effect replace the proposed LPS No. 8 due to the extended time frames.

### **Environmental Health**

The Shire now has a permanent and qualified Environmental Health Officer (EHO) although staffing remains a significant issue for many rural and regional local governments.

Through the EHO role, the Shire continued its role in public health education, enforcement and compliance across various areas of the health discipline and

fulfilled statutory obligations pursuant to various legislation. The Shire also continued to increase the use of social media to communicate environmental health related messages with some positive results.

Regular duties continued throughout the year, including routine water sampling, mosquito and arbovirus surveillance (which includes the sentinel chicken program), inspections at food premises, caravan parks and camping grounds, public buildings and lodging houses with an increasing focus on traders, stallholders and public events.

The following addresses town Environmental Health core functions:

#### **Food Premises Inspections**

During the reporting period, most scheduled inspections of food businesses were undertaken although due to logistical reasons, island locations were difficult to service.

Inspections of remote Aboriginal community stores were undertaken by the Aboriginal Environmental Health Officer team leader.

#### **Wastewater Installations**

Seven onsite waste water system applications were recorded in Synergy during the period of 2021/22.

#### **Mosquito Management**

Minimal mosquito management in the form of product dispersal or ordering was recorded in the 2021/22 wet season. A total of \$3,241 was spent on mosquito control chemicals and \$4,324 on Fight the Bite educational promotional material.

#### **Water Quality**

Water sampling continued during the 2021/22 period to ensure the provision of safe drinking and swimming pool water within the Shire.

### **Aboriginal Environmental Health Unit (AEHU)**

#### **Mosquito Management**

The AEH team was an integral part of the implementation of the council endorsed mosquito management plan. The focus is on education, surveillance and treatment of hotspot breeding areas.

Education sessions were a large focus to enable community members to take individual action



on ways to protect themselves. Trapping and identification throughout the community is a great tool to interact, especially school aged children and provide further education and identification of mosquito breeding sites, such as tyres and tarps around the home.

The preventative approach and the reduced rainfall has meant there was no chemical barrier spraying carried out in this reporting period, unlike other years, which is a positive outcome.

### ***Dog Ectoparasite Control Trial***

The AEHU was pleased to participate in the Department of Health's pilot project on managing dog ectoparasites. Senior field officers and two trainees assisted the pilot team when the project was launched in Derby in early December. The AEHU team continued to roll out the trial in the town reserves, Pandanus Park and Jalmadanga, in 2022.

### ***Dog Health***

The team conducted a dog wash day at Mowanjum to help foster the bond between owners and animals. It also allowed the team to administer tick treatments during wet season. This was carried out during the school holidays to encourage children to participate and explain the environmental health links between dog health and human health.

### ***Live Deadly Gibb River edition***

The AEH team were delighted to launch the Gibb River edition of Live Deadly.

Although the Live Deadly program was originally launched in 2019 – and at the time a Gibb River community-specific campaign began for the communities of Imintji, Kupungarri, Tirralintji, Yulumbu, Dodnun and Ngallagunda – due to COVID-19 restrictions and several rounds of community consultation, the program took some time to finalise. The launch took place at Wananami Remote School in June. The Shire recognises the importance of the campaign and demonstrated this by convening a Council meeting on country for the same day as the launch event.

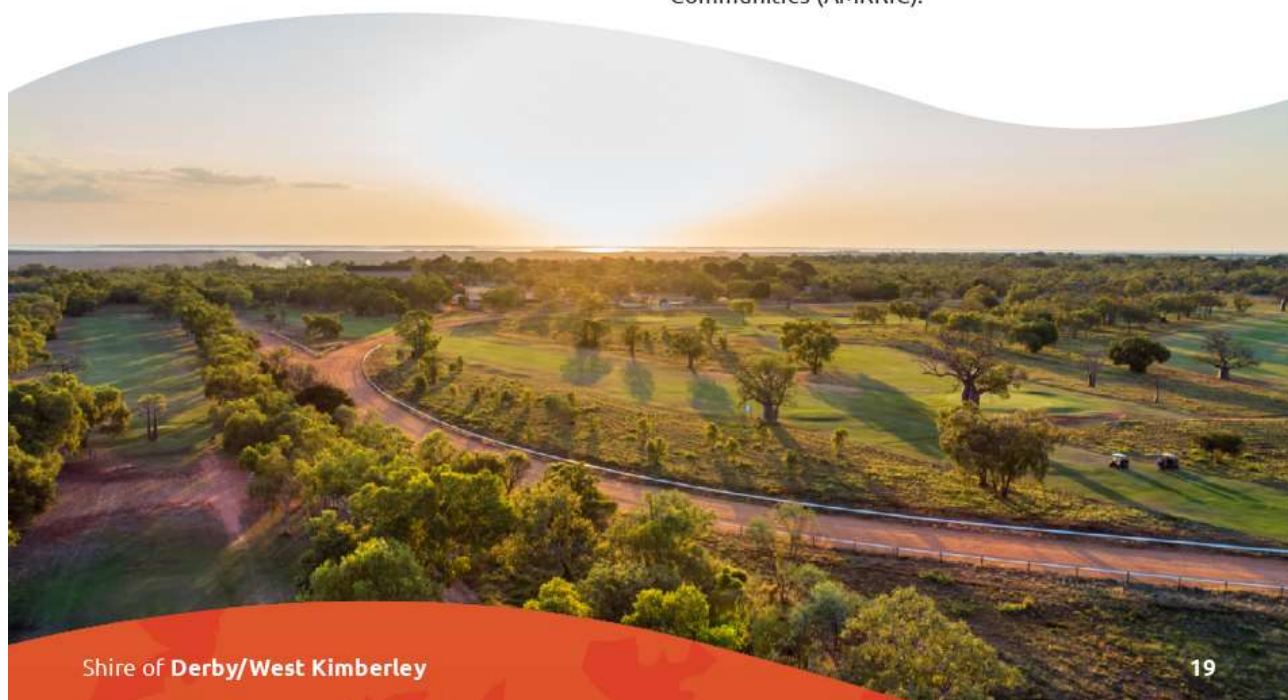
### ***Environmental Health Australia Presentation***

The Shire's officers presented at the Environmental Health Australia Conference 2022 in Perth. The presentation highlighted the Shire's multifaceted approach to mosquito management facilitated through its Council endorsed plan.

### ***Animal Management Welfare Grant Funding***

The AEHU were successful in seeking grant funding administered by the Department of Primary Industries and Regional Development through its Animal Welfare Grant Program.

The grant for \$50,000 will enable the AEHU over a four year period to establish a program offering free desexing, preventative health care, and veterinary attention to animals in the Shire's remote communities working through Animal Management in Remote and Rural Indigenous Communities (AMRRIC).



### **COVID-19 Response**

Throughout the reporting period, the AEHU service delivery was adapted to accommodate the needs of the community.

Access to community was restricted and staff members were intermittently ill with COVID-19 or in isolation with family members. The response program consisted of:

- Review of current COVID-19 messaging and creating more language appropriate information on frequently asked questions for community members locally.
- Posters promoting hand washing and mask wearing were distributed in Mowanjum.
- A community video was created of key COVID-19 safe messages which were Mowanjum specific.
- The team undertook COVID-19 infection control training and best practices.
- Took part in the rapid response training to assist WACHS as required in community blitz testing and contact tracing.
- AEHU team coordinated the distribution of free Rapid Antigen Test (RAT) to the community.
- The team distributed resources – including RATs, face masks and soap – to the community in conjunction with Winun Ngari Aboriginal Corporation, KAMS and WACHS.
- Took part in two days of COVID-19 rapid response efforts in Looma and New Looma, carrying out door-to-door RAT swabbing of residents. The response team were grateful for the ease of the operation due to the team member's experience and rapport as an AEHO in Looma.
- The team assisted the COVID-19 local emergency response alongside Kimberley Pharmacy. AEHU staff began a program of twice daily medication drop offs to residents in isolation. This covered Derby town, Mowanjum and Pandanus Park.
- The team contributed to the emergency management response within the Shire. The Shire served the administrative function of the incident support group (ISG). The AEHU contributed to the ISG with the coordinator attending all meetings.

### **Building Services**

The Shire continued to have minimal growth and activity again this year with development and building applications remaining steady. The Shire is still, when compared to many other metropolitan and regional local governments, having low building application numbers.

The processing of building permit applications continued with a contract arrangement with external building practitioners, to ensure statutory timeframes for processing were met. Staff are still being trained to perform the administrative functions of the building surveyor along with several process improvements to ensure compliance with legislation. This includes beginning the process of legislative compliance for the numerous illegal buildings within the Shire.

### **Waste Management**

Waste management services continued to be provided with the contractual arrangement with Cleanaway in both the Derby and Fitzroy Crossing town sites, while Camballin's waste management service is provided by Looma Community Inc. Total waste volumes have remained stable from the previous year and recycling volumes were zero. All legislated functions were met including the annual waste census and national pollution inventory reporting.

### **Ranger Services**

Ranger Services continues its education and information program to the public on requirements across a range of topics including animal management, fire hazard mitigation, cyclone preparedness, litter management and nuisance control.

The goal continues to be to deliver positive outcomes within the community through education and enforcement. There has been a solid focus in process improvement and consistency of service delivery to the members of the community. Fire hazard inspections and animal ownership education will be two of the higher priority areas the Ranger team will work on next year.

The Shire continues its zero tolerance for dogs that attack people and will have no hesitation in imposing penalties on their owners which may potentially lead to prosecution in the courts.



# Economy

## Tourism

### **Derby Visitor Centre**

The Shire continues to support the Derby Visitor Centre with an annual grant of \$40,000 to support the centre to encourage tourism and economic development across the Shire. It continued to be a troubling year for tourism with many services impacted by COVID-19 restrictions across the country. The Shire is a proud partner of the Derby Visitor Centre.

### **Fitzroy Crossing Visitor Centre**

The Fitzroy Crossing Visitor Centre is the main location for all Shire of Derby/West Kimberley services in the town including dog and cat registrations, rate and debtor payments, facility hire and development application lodgement. The Visitor Centre is also home to the Fitzroy Crossing library, with a multitude of items and resources available for borrowing or use. Department of Transport services are also offered to the township and wider community with the service hours remaining increased to five days a week.

2021/22 saw restrictions due to the COVID-19 pandemic reduce periodically, providing for a gradual increase in travellers visiting Fitzroy Crossing from both intrastate and interstate than the previous financial year. International and interstate tourism is one of the largest sources of income for the Visitor Centre, meaning the easing of restrictions and increase in tourism numbers was a welcome sight, and the team at the Visitor Centre were so happy to welcome people to the community. The Visitor Centre proudly stocks a majority of gifts and wares sourced from local community and Australia suppliers.

## Annual Budget

The Annual Budget is required to be prepared each year and adopted by Council by 31 August.

The 2021/22 budget delivers on the strategies adopted by the Council and maintains a high level of service across all programs while ensuring continued focus on roads. The budget is limited in providing adequate capital renewal and identifying a strategy to improve this situation has remained the focus of the administration.



Challenges the Shire has had to consider in framing the budget included:

- The economic outlook remains uncertain
- COVID-19 local government rules
- Cost shifting to local government continues to be a concern
- Pensioner rebates capping to remain at \$750
- Community expectations on the Shire's capacity to continuously provide or contribute significantly to community and sporting infrastructure
- The ratepayer and residents' lack of propensity to want to pay for the use of facilities or to attend events.

The budget is a fiscally responsible budget which provides for the maintenance of service levels, ongoing focus on road infrastructure and the financing of port and airport capital works.

The main features of the budget included:

- The budget was prepared uniform rates with only the GRV and UV being applicable. Mining rates previously rated separately have benefited from this as the UV rate is lower than they currently were charged.
- There was a decrease in the rateable value of the properties, which caused the rate revenue for 21/22 to be less than the previous year.

- Due to COVID-19 and the impacts of the COVID-19 order 2020, local governments were encouraged not to increase their rates in the dollar with this intention being that they also did not increase rate yields. The Shire provided decreases to the rates in the dollar over all of the rating categories but wanted to ensure an overall rate yield increase. This yield increase was necessary for the Shire to be able to ensure we are able to maintain our current service levels and operations.
- The Shire continues to regularly review strategic and financial plans to ensure service levels support the Shire's ongoing rating strategy to ensure transparency and ongoing sustainability.
- Fees and charges remained the same for the 2021/2022 year due to COVID-19 and only includes any statutory increase applied by the State Government and new fees and charges.
- Household and commercial waste charges remained the same in 2021/2022 due to COVID-19 and are itemised separately in the budget.
- Expenditure on road infrastructure is a major component of Council's capital works strategy to increase the investment in roads across the Shire.

## Financial Summary Snapshot AT A GLANCE

Total Operating Expenditure for 2021/22 was \$26.89M

Employee wage costs for permanent and casual employees was \$8.4M

85 employees at 30 June 2022

Rates and charges comprised \$12.3M of the total income received

Council's total grant funding for 2021/22 was \$9.7M

A \$3.589M capital works program was delivered

Council borrowings are \$2.6M at the end of the year



# Leadership and Governance

## Records Management

The Shire of Derby/West Kimberley remains committed to accurate record keeping practices in accordance with best practice and in compliance with the State Records Act 2000. The Shire's adopted recordkeeping plan remains in compliance with State Records Office expectations.

## Governance and Compliance

The annual Department of Local Government Compliance Audit Return (CAR) is required to be completed annually by every local government in Western Australia. The CAR process is a time-consuming, but valuable internal auditing tool to ensure compliance occurs, and the significance of compliance is reinforced throughout the organisation. Notwithstanding the extensive nature of the audit, there was only one area of non-compliance located by officers (covering one question out of 98 questions in total). Officers will continue to work towards improved governance standards across the Shire's operations.

## Council Meetings

To improve community access to council meetings and provide a more efficient meeting process for Councillors that attend meetings remotely, a new audio/visual system was installed into the Derby Council Chamber and in the meeting room at Fitzroy Crossing Visitor Centre. The system provides for improved audio for those attending and TV screens enable them to see any other Councillors attending remotely, as well as the minutes being prepared as the meeting progresses.

## State and Federal Government Legislation

The State Government is progressing numerous legislative changes to the Local Government Act, which the Council and the administration have been accommodating. The most significant proposal in 2021/22 was to change the future election process for the election of President, from being elected by Council, to being elected by the community. This change still requires legislation to change, but is proposed to come into effect for the 2023 elections.

## Corporate Compliance Calendar Initiative

Improvements to governance were again progressed over the 2021/22 financial year. The compliance calendar system (which acts as a governance reminder system and retains corporate knowledge) was further refined, and research was completed on a digital process mapping tool that will allow the Shire's operational processes to be refined, recorded, implemented, and reviewed, and for these processes to be stored digitally for the long term use by Shire staff. Like the corporate calendar, this will reduce the loss of corporate knowledge when staff unfortunately leave our workplace, and further progress the organisation's goal of providing efficient and consistent services to its stakeholders.

## Delegations and Policies

Following the 2021 full Shire-policy manual review, the policies progressed through their annual review in February, where approximately half of the policies were again reviewed and reconfirmed, ensuring they have remained current and relevant.

## Cyber Security

The Shire's information communications and technology systems already have a multi-factor authentication system in place, plus security software that protects against 'attack' by parties endeavouring to break into our system. Recent large scale and well promoted public company breaches highlight the need for vigilance in this area by the Shire, to ensure its records are safe.

## Community and Commercial Land Arrangements

Derby Airport has had several of its commercial leases renegotiated and extended. A greater emphasis has been placed on minimising the annual operating loss at Derby Airport and while full cost recovery is not possible to be achieved, every reasonable effort to lower the ratepayer subsidy is being explored, including now charging landing fees to the Royal Flying Doctor service.

Fitzroy Crossing Airport, whilst smaller than Derby's, provides a valuable health service and also is home to a local helicopter service. The Shire was able to secure \$3,000,000 in grants from the State and Federal Governments to refurbish the airstrip, which will occur in 2023. This work will ensure the airstrip stays safe to users for future years.

Derby Port is operated by the Shire under a lease arrangement with the State Government. The port has numerous users and 2021/22 saw a renegotiation with Kimberley Mineral Sands (KMS) and its lease. The Shire is very keen to see KMS export from the Derby Port as this will maximise port revenues and local economic development, but the negotiations were able to also secure an agreement for the position where we would receive port contributions even if KMS does not use the Derby Port.

The Shire has applied to Main Roads WA to take over the ownership of Jetty Road, which if successful, will mean that one of the Shire's busiest roads will no longer be a Shire responsibility to maintain.

The Shire has numerous leases it manages, including housing, Fitzroy Crossing Swimming Pool, and community group facilities. A number of these expired and were renegotiated during the 2021/22 year period.

The Shire's information technology contract was tendered and finalised. A new multi-year contract with the existing provider was entered into for this important operational service. The new contract includes improvements in how the service is managed between the Shire and the service provider.

A submission was lodged with the WA Grants Commission, arguing that the Shire deserved a higher level of grant funding than it currently receives. The decision on whether we have been successful in with our proposal will not be known until close to the end of 2021/22.

## Continuous Improvement

Work continues on our internal workflow procedures so we can progressively and continuously improve our efficiency levels. New software to help plan, store, and display internal processes was secured to help manage this. Process mapping will be a focus of the organisation for the next couple of years. It will help standardisation of services, and minimise corporate knowledge loss due to our existing high levels of staff turnover.

## Financial Sustainability

### Fees and Charges

A review of the entire schedule of Shire fees and charges occurs annually as part of the budget process. Airports have been one particular area considered in recent years, as these charges had not been lifted for several years prior. Waste collection service fees was also a concentration point, as waste collection charges income is well below the cost of the service provided. Waste collection fees will be reviewed annually over the next several years, with the view to achieving a 'full cost recovery' outcome for the Shire if that is considered practical.

## People and Culture

A concerted effort has been made in this budget to contain staff costs, however additional staff are required to maintain and develop Council's facilities and services to the community.

### Training

There continues to be a strong push towards knowledge retention through training and developing staff from within ranks. An improving induction process aimed at delivering essential training from the first day including an online Work Health and Safety training module and cultural awareness has been implemented. Group training opportunities offered to staff throughout 2021/22 included introduction to local government; Synergy records and financial training; report writing/agendas and minutes; and style guide refreshers. There were also a number of webinar sessions with information on financial security, mental wellbeing and leadership development.



### Recruitment

2021/22 saw 33 positions advertised. Of the 33 appointments made, nine were successful internal applicants providing career development and supporting retention and succession planning across multiple departments.

The Shire continued to support the promotion of a local workforce working closely with the high school and local employment agencies to bring on new trainees and provide work place learning experiences.

The Shire has also taken strides in the ever changing environment of workplace flexibility and modernisation of the workforce. In the wake of COVID-19 pandemic and the high focus on mental health within the updated Work Health and Safety Act, there has been an increasing requirement to provide the ability to work from home with remote/hybrid options across all employment sectors.

The advantages of the changing workplace have been many with the retention of skilled employees in hard to recruit positions despite the transient nature of the Shire. This has the added benefit of providing stability and business continuity with trained and knowledgeable staff that feel valued.

### Payments to Employees

A requirement under section 19B of the Local Government (Administration) Regulations is that the annual report is to contain details of the number of employees of the local government entitled to an annual salary including allowances of \$130,000 or more.

Salary & Allowances	
Salary Range	2021-2022
130,000 to 139,999	
140,000 to 149,999	2
150,000 to 159,999	1
160,000 to 169,999	
170,000 to 179,999	
180,000 to 189,999	1
190,000 to 199,999	
200,000 to 209,999	
210,000 to 219,999	
220,000 to 229,999	
230,000 to 239,999	
240,000 to 249,999	
250,000 to 259,999	2

### Work Health and Safety

Work Health Safety has been a high priority for the Shire since the updated implementations of the Work Health Safety Act. The Shire has created a Work Health and Safety committee, as well as appointed Health and Safety Representatives (HSR) for each area. The committee conduct bi-monthly meetings to discuss outstanding issues and are working together to update and maintain the safety requirements within all departments.

A new role of Senior Work Health and Safety Officer was created, and has been undertaken by a new employee. The appointed staff member is creating networks with other local governments, as well as undertaking required study in order to ensure the Shire is on the right track to becoming competent in all safety areas and falls within the obligatory requirements.

### National Competition Policy – Compliance

In 1995 the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy. Local government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses. Local government is also affected where Local Laws unnecessarily affect competition. The Shire is required to comply with certain policies contained within the National Competition Policy Statement and report on progress in connection with the National Competitive Neutrality Principles and review of Local Laws. Each local government must report its progress in achieving National Competition Policy reforms in its annual report broadly under the following categories:

- Competitive Neutrality
- Legislation Review
- Structural Reform

### **Competitive Neutrality**

This principle deals with ensuring that government business operations have no advantage or disadvantage in comparison with the private sector. The policy dictates that competitive neutrality should apply to all business activities which generate a user pays income of over \$200,000 unless it can be shown that it is not in the public interest. In this regard, no significant new business activities for the purposes of competitive neutrality were initiated or considered during the year and no non-compliance allegations were made.

### **Legislation Review**

The Shire of Derby/West Kimberley did not promulgate any new legislation and as legislation is reviewed, it will be done with the National Competition Policy in mind. The Local Government Act 1995 requires all existing Local Laws to be reviewed every eight years. As part of this process the intention to review Local Laws is advertised in the media giving residents and ratepayers the opportunity to comment on any proposed changes, additions or deletions to the Shire's Local Laws.

### **Structural Reform**

The Shire of Derby/West Kimberley did not undertake any structural reform during the 2021/22 financial year.

### **Register of Complaints**

Section 5.121 of the Local Government Act 1995 requires the complaints officer of the local government to maintain a register of complaints which records all complaints that result in an action under section 5.110 (6)(b) or (c). For the purposes of section 5.53(2) (hb) of the Local Government Act 1995 it is advised that the Shire of Derby/West Kimberley received zero complaints during this period.

### **Freedom of Information**

In accordance with section 96 and 97 of the Freedom of Information Act 1992, the Shire is required to publish an information statement that details the process for applying for information under the Act, as well as information that the Shire provides outside the Act. This document is reviewed annually and available from the Shire's administration office or website. During 2021/22 the Shire received two Freedom of Information applications, which were both provided access.

The Act requires that all applications are responded to within 45 days with which the Shire is compliant.

### **Public Interest Disclosure**

In accordance with the requirements of the Public Interest Disclosure Act 2003, the Shire of Derby/West Kimberley has established procedures to facilitate the making of disclosures under the Act. These procedures set out the processes in respect to protected disclosures, generally to protect people from reprisal for making protected disclosures, and to provide guidance on investigations. The Shire reviewed its document on rights and obligations under the Public Interest Disclosures Act 2003 and the updated document is now available on the Shire's website. In the 2021/22 financial year, no disclosures relating to improper conduct were made to the Shire and therefore no disclosures were referred to the Ombudsman.

### **Register of Gifts**

Elected Members and employees of the Shire are to disclose any gift or contribution to travel received over \$200.00 in writing to the Chief Executive Officer within 10 days of receipt.

The Chief Executive Officer keeps a register of gifts which is made available on the Shire's website during the year. The register is also available for public inspection at the Shire's Administration office.

### **Customer Service**

The Shire of Derby/West Kimberley Administration office is the go-to location for all Shire services in Derby, Fitzroy Crossing and surrounds. The Customer Service team provide assistance for any Shire related enquiries.

The Customer Service Charter is a key guiding document for all customer service functions and the Shire always aims to provide outstanding customer service to all of our customers.



# 2022/2023 – The Year Ahead

## Plan for the Future

**Council has undertaken a significant review of its Strategic Community Plan 2021-2031 (SCP) and associated documents such as the Corporate Business Plan, Asset Management Plan and Workforce Management Plan in recent years.**

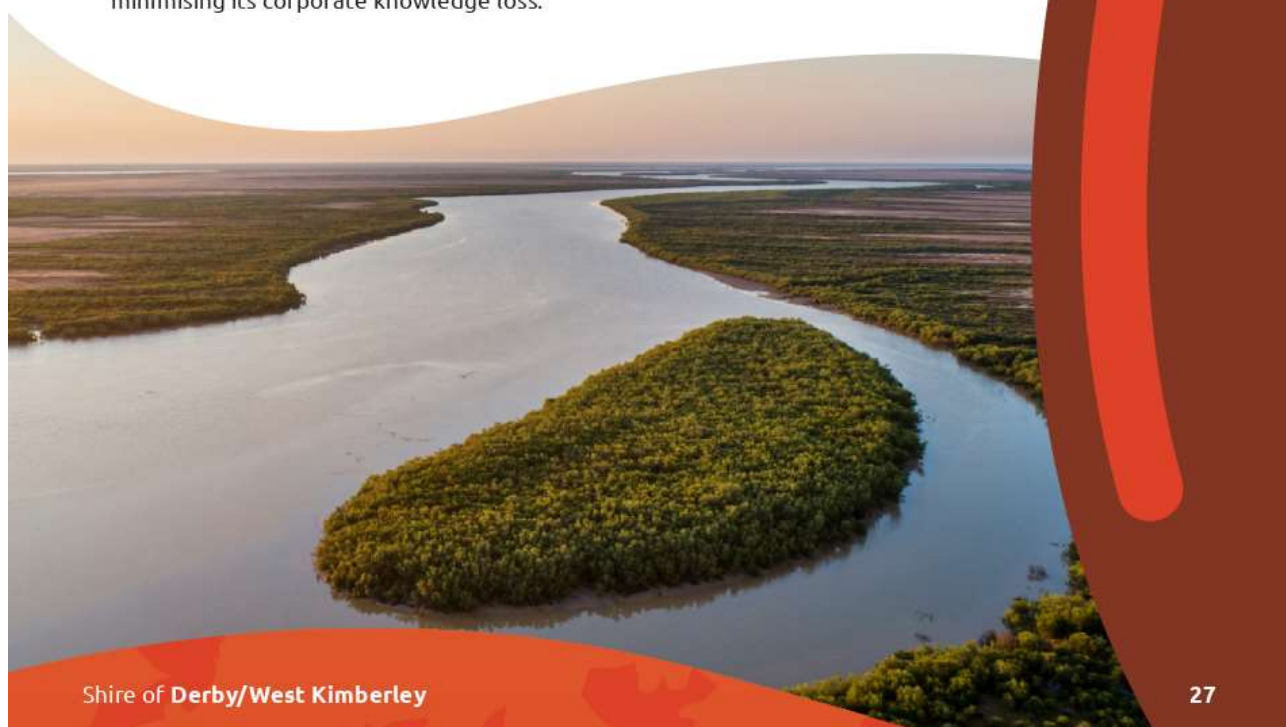
Throughout 2022/23 the Shire is looking forward to delivering on another exciting year in accordance with the vision and values outlined in the key pillars of the SCP:

### 'A place where people want to live, invest, visit and return to'

- Leadership and Governance
- Community
- Economy
- Environment

Some of the key projects and initiatives the Shire is anticipating on undertaking over the next financial year include:

- Finalising and adopting the Derby Port Masterplan
- Staging another season of the Kimberley Art and Photographic Prize
- Endeavouring to secure funding for the refurbishment of the Fitzroy Crossing Airport's airstrip
- Finalising the agreement with Kimberley Mineral Sands for its contribution towards the Derby Port
- Continuing to maintain the Shire's road network system, including promptly progressing adverse weather event damage claims through the relevant funding body, and
- Locating innovative solutions to improve the Shire's resource capacity and minimising its corporate knowledge loss.



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## Community Vision

*'A place where people want to live, invest, visit and return to'.*

# Statement by the Chief Executive Officer

**SHIRE OF DERBY/WEST KIMBERLEY  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Derby/West Kimberley for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Derby/West Kimberley at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 17 day of April 2023



Chief Executive Officer

Amanda Dexter

Name of Chief Executive Officer

# Statement of Comprehensive Income by Nature or Type

For the Year Ended 30 June 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Revenue</b>				
Rates	22(a),2(a)	7,626,940	7,678,514	7,365,244
Operating grants, subsidies and contributions	2(a)	9,707,898	5,971,350	9,572,828
Fees and charges	21(c),2(a)	4,673,497	4,180,441	3,705,444
Interest earnings	2(a)	163,817	225,000	261,755
Other revenue	2(a)	757,070	156,254	669,882
		<u>22,929,222</u>	<u>18,211,559</u>	<u>21,575,153</u>
<b>Expenses</b>				
Employee costs		(8,412,576)	(9,498,560)	(6,868,307)
Materials and contracts		(7,664,294)	(8,626,979)	(7,583,028)
Utility charges		(839,837)	(884,529)	(909,609)
Depreciation	8(a)	(7,806,061)	(7,131,200)	(7,268,331)
Finance costs	2(b)	(442,451)	(135,801)	(354,941)
Insurance		(1,161,903)	(1,167,763)	(979,070)
Other expenditure	2(b)	(562,219)	(490,508)	(749,530)
		<u>(26,889,341)</u>	<u>(27,935,340)</u>	<u>(24,712,816)</u>
		<u>(3,960,119)</u>	<u>(9,723,781)</u>	<u>(3,137,663)</u>
Capital grants, subsidies and contributions	2(a)	3,630,762	22,040,788	1,054,897
Profit on asset disposals	8(b)	73,329	0	28,788
Loss on asset disposals	8(b)	(6,505)	0	(199,314)
Loss on revaluation of Other infrastructure- footpaths	7(a)	0	0	(1,394,281)
		<u>3,697,586</u>	<u>22,040,788</u>	<u>(509,910)</u>
<b>Net result for the period</b>	21(b)	<b>(262,533)</b>	<b>12,317,007</b>	<b>(3,647,573)</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	14	519,102	0	146,235,551
<b>Total other comprehensive income for the period</b>		<b>519,102</b>	<b>0</b>	<b>146,235,551</b>
<b>Total comprehensive income for the period</b>		<b>256,569</b>	<b>12,317,007</b>	<b>142,587,978</b>

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

\*Restated 2021 Actual refer to Note 27 Correction of Prior Period Error.



# Statement of Financial Position

As at 30 June 2022

	NOTE	2022 \$	Restated* 2021 \$	Restated* 1 July 2020 \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	11,335,343	8,934,223	6,235,956
Trade and other receivables	4	2,191,887	2,625,530	3,824,167
Inventories	5	49,353	32,395	54,679
<b>TOTAL CURRENT ASSETS</b>		<b>13,576,583</b>	<b>11,592,148</b>	<b>10,114,802</b>
<b>NON-CURRENT ASSETS</b>				
Trade and other receivables	4	110,862	108,614	123,754
Property, plant and equipment	6	47,165,700	47,462,841	39,665,016
Infrastructure	7	285,983,108	285,681,107	153,313,640
<b>TOTAL NON-CURRENT ASSETS</b>		<b>333,259,670</b>	<b>333,252,562</b>	<b>193,102,410</b>
<b>TOTAL ASSETS</b>		<b>346,836,253</b>	<b>344,844,710</b>	<b>203,217,212</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	9	7,031,364	3,649,766	3,681,924
Other liabilities	10	2,611,951	1,001,277	529,572
Borrowings	11	381,779	368,840	373,274
Employee related provisions	12	691,514	578,267	558,741
Other provisions	13	130,237	0	
<b>TOTAL CURRENT LIABILITIES</b>		<b>10,846,845</b>	<b>5,598,150</b>	<b>5,143,511</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	11	2,684,742	3,066,521	3,435,361
Employee related provisions	12	59,355	159,406	81,031
Other provisions	13	5,464,972	8,496,863	9,621,517
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>8,209,069</b>	<b>11,722,790</b>	<b>13,137,909</b>
<b>TOTAL LIABILITIES</b>		<b>19,055,914</b>	<b>17,320,940</b>	<b>18,281,420</b>
<b>NET ASSETS</b>		<b>327,780,339</b>	<b>327,523,770</b>	<b>184,935,792</b>
<b>EQUITY</b>				
Retained surplus		60,689,982	60,952,515	64,073,235
Reserve accounts	25	975,801	975,801	1,502,654
Revaluation surplus	14	266,114,556	265,595,454	119,359,903
<b>TOTAL EQUITY</b>		<b>327,780,339</b>	<b>327,523,770</b>	<b>184,935,792</b>

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

\*Restated 1 July 2020 refer to Note 27 Correction of Prior Period Error.

\*Restated 30 June 2021 refer to Note 27 Correction of Prior Period Error.

# Statement of Changes In Equity

## For the Year Ended 30 June 2022

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2020</b>		<b>66,097,921</b>	<b>1,502,654</b>	<b>119,359,903</b>	<b>186,960,478</b>
Correction of prior period error	27	(2,024,686)	0	0	(2,024,686)
<b>Restated balance at the beginning of the financial year</b>		<b>64,073,235</b>	<b>1,502,654</b>	<b>119,359,903</b>	<b>184,935,792</b>
Comprehensive income for the period					
Restated net result for the period		(3,647,573)	0	0	(3,647,573)
Restated other comprehensive income for the period	14, 27	0	0	146,235,551	146,235,551
Total comprehensive income for the period		(3,647,573)	0	146,235,551	142,587,978
Transfers from reserves	25	526,853	(526,853)	0	0
<b>Restated balance as at 30 June 2021</b>	27	<b>60,952,515</b>	<b>975,801</b>	<b>265,595,454</b>	<b>327,523,770</b>
Comprehensive income for the period					
Net result for the period		(262,533)	0	0	(262,533)
Other comprehensive income for the period	14	0	0	519,102	519,102
Total comprehensive income for the period		(262,533)	0	519,102	256,569
<b>Balance as at 30 June 2022</b>		<b>60,689,982</b>	<b>975,801</b>	<b>266,114,556</b>	<b>327,780,339</b>

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



# Statement of Cash Flows

For the Year Ended 30 June 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		7,382,061	7,678,514	9,014,722
Operating grants, subsidies and contributions		9,658,549	4,543,559	9,545,810
Fees and charges		4,699,436	4,180,441	3,640,102
Interest received		163,817	225,000	261,755
Goods and services tax received		497,247	0	939,663
Other revenue		757,070	156,254	669,882
		23,158,180	16,783,768	24,071,934
<b>Payments</b>				
Employee costs		(8,355,346)	(9,498,560)	(6,740,546)
Materials and contracts		(3,605,416)	(8,626,979)	(8,230,785)
Utility charges		(839,837)	(884,529)	(909,609)
Finance costs		(238,193)	(135,801)	(117,250)
Insurance paid		(1,161,903)	(1,167,763)	(979,070)
Goods and services tax paid		(629,855)	0	(846,763)
Other expenditure		(442,534)	(490,508)	(749,530)
		(15,273,084)	(20,804,140)	(18,573,553)
<b>Net cash provided by (used in) operating activities</b>	15(b)	7,885,096	(4,020,372)	5,498,381
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	6(a)	(1,027,848)	(1,635,286)	(774,846)
Payments for construction of infrastructure	7(a)	(9,537,915)	(23,342,110)	(3,589,428)
Non-operating grants, subsidies and contributions		5,329,129	22,040,788	1,828,621
Proceeds from sale of property, plant & equipment	8(b)	121,498	90,400	108,813
<b>Net cash provided by (used in) investing activities</b>		(5,115,136)	(2,846,208)	(2,426,840)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	24(a)	(368,840)	(368,840)	(373,274)
<b>Net cash provided by (used in) financing activities</b>		(368,840)	(368,840)	(373,274)
<b>Net increase (decrease) in cash held</b>		2,401,120	(7,235,420)	2,698,267
Cash at beginning of year		8,934,223	8,934,223	6,235,956
<b>Cash and cash equivalents at the end of the year</b>	15(a)	11,335,343	1,698,803	8,934,223

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

# Rate Setting Statement

For the Year Ended 30 June 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	23(b)	5,789,478	5,586,629	3,841,911
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities (excluding general rate)</b>				
Operating grants, subsidies and contributions		9,707,898	5,971,350	9,572,828
Fees and charges		4,673,497	4,180,441	3,705,444
Interest earnings		163,817	225,000	261,755
Other revenue		757,070	156,254	669,882
Profit on asset disposals	8(b)	73,329	0	28,788
		15,375,611	10,533,045	14,238,697
<b>Expenditure from operating activities</b>				
Employee costs		(8,412,576)	(9,498,560)	(6,868,307)
Materials and contracts		(7,664,294)	(8,626,979)	(7,583,028)
Utility charges		(839,837)	(884,529)	(909,609)
Depreciation		(7,806,061)	(7,131,200)	(7,268,331)
Finance costs		(442,451)	(135,801)	(354,941)
Insurance		(1,161,903)	(1,167,763)	(979,070)
Other expenditure		(562,219)	(490,508)	(749,530)
Loss on asset disposals	8(b)	(6,505)	0	(199,314)
Loss on revaluation of non-current assets		0	0	(1,394,281)
		(26,895,846)	(27,935,340)	(26,306,411)
Non-cash amounts excluded from operating activities	23(a)	7,824,317	7,131,200	9,697,022
<b>Amount attributable to operating activities</b>		(3,695,918)	(10,271,095)	(2,370,692)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		3,630,762	22,040,788	1,054,897
Proceeds from disposal of assets	8(b)	121,498	90,400	108,813
Purchase of property, plant and equipment	6(a)	(1,027,848)	(1,635,286)	(774,846)
Purchase and construction of infrastructure	7(a)	(9,537,915)	(23,342,110)	(3,589,428)
<b>Amount attributable to investing activities</b>		(6,813,503)	(2,846,208)	(3,200,564)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	24(a)	(368,840)	(368,840)	(373,274)
Transfers from reserves (restricted assets)	25	0	221,000	526,853
<b>Amount attributable to financing activities</b>		(368,840)	(147,840)	153,579
<b>Surplus/(deficit) before imposition of general rates</b>		(5,088,783)	(7,678,514)	(1,575,766)
<b>Total amount raised from general rates</b>	22(a)	7,626,940	7,678,514	7,365,244
<b>Surplus/(deficit) after imposition of general rates</b>	23(b)	2,538,157	0	5,789,478

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

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

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# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

### *Local Government Act 1995* requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has 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.

### The local government reporting entity

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

### Judgements and 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.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation of provisions

Comparative figures are, where appropriate, reclassified to be comparable with figures presented in the current year.

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 2. REVENUE AND EXPENSES

### (a) Revenue

#### Contracts with customers

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared When assets are controlled
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Fees and charges for other goods and services	Goods and services, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works

Consideration from contracts with customers is included in the transaction price.

#### Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature or types of goods or services is provided in the table below.

#### For the year ended 30 June 2022

Nature or type	Contracts with customers \$	Capital grant/contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	0	0	7,626,940	0	7,626,940
Operating grants, subsidies and contributions	1,950,199	0	0	7,757,699	9,707,898
Fees and charges	2,684,303	0	1,867,455	121,739	4,673,497
Interest earnings	0	0	149,395	14,422	163,817
Other revenue	283,459	0	0	473,611	757,070
Non-operating grants, subsidies and contributions	542,284	3,088,478	0	0	3,630,762
<b>Total</b>	<b>5,460,245</b>	<b>3,088,478</b>	<b>9,643,790</b>	<b>8,367,471</b>	<b>26,559,984</b>

#### For the year ended 30 June 2021

Nature or type	Contracts with customers \$	Capital grant/contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	0	0	7,365,244	0	7,365,244
Operating grants, subsidies and contributions	3,069,500	0	0	6,503,328	9,572,828
Fees and charges	1,778,332	0	1,553,054	374,058	3,705,444
Interest earnings	0	0	238,542	23,213	261,755
Other revenue	315,505	0	0	354,377	669,882
Non-operating grants, subsidies and contributions	206,717	848,180	0	0	1,054,897
<b>Total</b>	<b>5,370,054</b>	<b>848,180</b>	<b>9,156,840</b>	<b>7,254,976</b>	<b>22,630,050</b>

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 2. REVENUE AND EXPENSES (Continued)

	Note	2022 Actual	2022 Budget	2021 Actual
<b>Interest earnings</b>				
Interest on reserve funds		0	0	17,511
Rates instalment and penalty interest (refer Note 22(c))		149,395	225,000	238,542
Other interest earnings		14,422	0	5,702
		163,817	225,000	261,755
<b>(b) Expenses</b>				
<b>Auditors remuneration</b>				
- Audit of the Annual Financial Report		69,000	66,300	65,000
- Other services		2,500	0	3,900
		71,500	66,300	68,900
<b>Finance costs</b>				
Borrowings	24(a)	124,835	115,801	117,250
Other		0	20,000	0
Other provisions: unwinding of discount	13	317,616	0	237,691
		442,451	135,801	354,941
<b>Other expenditure</b>				
Impairment losses on rates receivables		30,179	0	228,658
Impairment losses on receivables from contracts with customers		6,327	0	141,887
Sundry expenses		525,713	490,508	378,985
		562,219	490,508	749,530



# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 3. CASH AND CASH EQUIVALENTS

	Note	2022 \$	2021 \$
Cash at bank and on hand		10,359,542	7,661,934
Term deposits		975,801	1,272,289
<b>Total cash and cash equivalents</b>	15(a)	<b>11,335,343</b>	<b>8,934,223</b>
Held as			
- Unrestricted cash and cash equivalents		10,359,542	7,958,422
- Restricted cash and cash equivalents	15(a)	975,801	975,801
		<b>11,335,343</b>	<b>8,934,223</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Cash and cash equivalents

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

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

#### Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 15.

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 4. TRADE AND OTHER RECEIVABLES

### Current

Note	2022 \$	2021 \$
Rates receivable	1,779,222	2,274,863
Trade and other receivables	966,217	1,077,423
GST receivable	242,237	109,629
Allowance for credit losses of trade and other receivables	(374,162)	(367,835)
Allowance for credit losses of rates receivables	(488,162)	(468,550)
Accrued income	66,535	0
	<u>2,191,887</u>	<u>2,625,530</u>

### Non-current

Pensioner's rates and ESL deferred	110,862	108,614
	<u>110,862</u>	<u>108,614</u>

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other receivables

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

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

#### Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 18.

#### Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets.

All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

## 5. INVENTORIES

### Current

	2022 \$	2021 \$
Fuel and materials	49,353	32,395
	<u>49,353</u>	<u>32,395</u>

The following movements in inventories occurred during the year:

Balance at beginning of year	32,395	54,679
Inventories expensed during the year	(91,907)	(90,554)
Additions to inventory	108,865	68,270
Balance at end of year	<u>49,353</u>	<u>32,395</u>

### SIGNIFICANT ACCOUNTING POLICIES

#### 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.

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 6. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Balances

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

	Note	Land \$	Buildings \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Computer equipment \$	Total property, plant and equipment \$
<b>*Restated balance at 1 July 2020</b>	27	3,450,000	34,653,194	38,103,194	16,240	1,468,245	77,337	39,665,016
Additions		0	665,726	665,726	31,169	77,951	0	774,846
Disposals		0	(276,226)	(276,226)	0	(3,113)	0	(279,339)
Revaluation increments / (decrements) transferred to revaluation surplus		763,000	8,731,138	9,494,138	0	0	0	9,494,138
Depreciation	8(a)	0	(950,099)	(950,099)	(3,863)	(265,758)	(29,084)	(1,248,804)
Transfers		0	(974,185)	(974,185)	48,253	31,169	(48,253)	(943,016)
<b>Restated balance at 30 June 2021</b>	27	4,213,000	41,849,548	46,062,548	91,799	1,308,494	0	47,462,841
<b>Comprises:</b>								
Gross balance amount at 30 June 2021		4,213,000	41,849,548	46,062,548	254,459	2,260,586	0	48,577,593
Accumulated depreciation at 30 June 2021		0	0	0	(162,660)	(952,092)	0	(1,114,752)
<b>Restated balance at 30 June 2021</b>	27	4,213,000	41,849,548	46,062,548	91,799	1,308,494	0	47,462,841
Additions		0	500,948	500,948	66,807	460,093	0	1,027,848
Disposals		0	0	0	0	(54,674)	0	(54,674)
Depreciation	8(a)	0	(970,090)	(970,090)	(34,488)	(265,737)	0	(1,270,315)
<b>Balance at 30 June 2022</b>		4,213,000	41,380,406	45,593,406	124,118	1,448,176	0	47,165,700
<b>Comprises:</b>								
Gross balance amount at 30 June 2022		4,213,000	42,350,496	46,563,496	321,266	2,584,067	0	49,468,829
Accumulated depreciation at 30 June 2022		0	(970,090)	(970,090)	(197,148)	(1,135,891)	0	(2,303,129)
<b>Balance at 30 June 2022</b>		4,213,000	41,380,406	45,593,406	124,118	1,448,176	0	47,165,700

\*At 30 June 2021, landfill assets were reclassified to Infrastructure, refer to Note 7 and Note 27.



# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

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

### (b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	Level 2	Market approach using recent observable market data for similar properties / income approach using discounted cash flow methodology	Independent registered valuer	June 2021	Price per hectare / market borrowing rate
Buildings	Level 2	Replacement cost method	Independent registered valuer	June 2021	Perth based construction rates with appropriate district allowance applied to each location
<b>(ii) Cost</b>					
<b>Furniture and equipment</b>		Not Applicable	At cost	July 2019	Not Applicable
<b>Plant and equipment</b>		Not Applicable	At cost	July 2019	Not Applicable

# Notes to and Forming Part of The Financial Report

## For the Year Ended 30 June 2022

### 7. INFRASTRUCTURE

#### (a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year:

	Note	Infrastructure - roads	Other infrastructure - drainage	Other infrastructure - footpaths	Other infrastructure - land & parks	Other infrastructure - wharf	Other infrastructure - airports	Other infrastructure - other structures	Other infrastructure - landfill assets	Total Infrastructure
		\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>*Restated balance at 1 July 2020</b>	27	113,733,423	4,368,470	2,430,994	1,385,184	3,552,465	15,356,310	8,857,680	3,629,114	153,313,640
Additions		3,396,131	0	273	7,040	73,693	0	112,291	0	3,589,428
Revaluation increments / (decrements) transferred to revaluation surplus		105,229,595	(2,298,096)	(192,005)	2,123,530	17,705,999	13,467,942	(128,506)	(659,628)	135,248,831
Revaluation (loss) / reversals transferred to profit or loss		0	0	(1,394,281)	0	0	0	0	0	(1,394,281)
Depreciation	8(a)	(3,338,465)	(666,807)	(69,614)	(109,362)	(187,146)	(912,029)	(598,973)	(137,131)	(6,019,527)
Transfers		(12,774)	0	(191,231)	0	37,445	988,890	120,686	0	943,016
<b>Restated balance at 30 June 2021</b>	27	219,007,910	1,403,567	584,136	3,406,392	21,182,456	28,901,113	8,363,178	2,832,355	285,681,107
<b>Comprises:</b>										
Gross balance at 30 June 2021		219,007,910	1,403,567	584,136	3,406,392	21,182,456	28,901,113	8,363,178	8,557,378	291,406,130
Accumulated depreciation at 30 June 2021		0	0	0	0	0	0	0	(5,725,023)	(5,725,023)
<b>Restated balance at 30 June 2021</b>	27	219,007,910	1,403,567	584,136	3,406,392	21,182,456	28,901,113	8,363,178	2,832,355	285,681,107
Additions		7,701,714	1,042,267	201,190	36,681	200,529	5,880	349,654	0	9,537,915
Revaluation increments / (decrements) transferred to revaluation surplus	14	0	0	0	0	0	0	0	(1,210,251)	(1,210,251)
Impairment (losses) / reversals	14	(1,199,320)	(290,597)	0	0	0	0	0	0	(1,489,917)
Depreciation	8(a)	(4,498,885)	(53,609)	(29,917)	(157,476)	(634,957)	(603,832)	(437,094)	(119,976)	(6,535,746)
<b>Balance at 30 June 2022</b>		221,011,419	2,101,628	755,409	3,285,597	20,748,028	28,303,161	8,275,738	1,502,128	285,983,108
<b>Comprises:</b>										
Gross balance at 30 June 2022		225,510,304	2,155,237	785,326	3,443,073	21,382,985	28,906,993	8,712,832	5,662,972	296,559,722
Accumulated depreciation at 30 June 2022		(4,498,885)	(53,609)	(29,917)	(157,476)	(634,957)	(603,832)	(437,094)	(4,160,844)	(10,576,614)
<b>Balance at 30 June 2022</b>		221,011,419	2,101,628	755,409	3,285,597	20,748,028	28,303,161	8,275,738	1,502,128	285,983,108

\*Landfill assets have been reclassified from PPE as at 30 June 2021. Refer to Note 6 and Note 27.

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 7. INFRASTRUCTURE (Continued)

### (b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>					
Infrastructure - roads	Level 3	Cost approach using current replacement cost	Independent valuation	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure- drainage	Level 3	Cost approach using current replacement cost	Independent valuation	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure- footpaths	Level 3	Cost approach using current replacement cost	Independent valuation	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - land & parks	Level 3	Cost approach using current replacement cost	Independent valuation	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - wharf	Level 3	Cost approach using current replacement cost	Independent valuation	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - airports	Level 3	Cost approach using current replacement cost	Independent valuation	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - other structures	Level 3	Cost approach using current replacement cost	Independent valuation	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - landfill assets	Level 3	Cost approach using depreciated replacement cost and using discounted cash flow methodology for make good estimates	Management valuation utilising independent estimates of future make good costs	June 2022	Construction costs including discounted future make good cost estimates and remaining useful life estimates

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

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



# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 8. FIXED ASSETS

### (a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	Restated 2021 Actual \$
Buildings	6(a)	970,090	950,099	950,099
Furniture and equipment	6(a)	34,488	4,067	3,863
Plant and equipment	6(a)	265,737	265,759	265,758
Computer equipment	6(a)	0	29,084	29,084
Infrastructure - roads	7(a)	4,498,885	3,338,465	3,338,465
Other infrastructure- drainage	7(a)	53,609	666,807	666,807
Other infrastructure- footpaths	7(a)	29,917	69,614	69,614
Other infrastructure - land & parks	7(a)	157,476	109,157	109,362
Other infrastructure - wharf	7(a)	634,957	187,146	187,146
Other infrastructure - airports	7(a)	603,832	912,029	912,029
Other infrastructure - other structures	7(a)	437,094	598,973	598,973
Other infrastructure - landfill assets	7(a)	119,976	0	137,131
		<b>7,806,061</b>	<b>7,131,200</b>	<b>7,268,331</b>

### Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	25 to 40 years
Furniture and equipment	3 to 10 years
Plant and equipment	4 to 15 years
Infrastructure roads	8 to 100 years
Other infrastructure - drainage	40 years
Other infrastructure - footpaths	26 years
Other infrastructure - land & parks	25 years
Other infrastructure - wharf	35 years
Other infrastructure - airports	8 to 65 years
Other infrastructure - other structures	10 to 50 years
Other infrastructure - landfill assets	20 to 50 years

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 8. FIXED ASSETS (Continued)

### (b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Buildings	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 276,226	\$ 76,912	\$ 0	\$ (199,314)
Plant and equipment	54,874	121,498	73,329	(6,505)	90,400	90,400	0	0	3,113	31,901	28,788	0
	54,874	121,498	73,329	(6,505)	90,400	90,400	0	0	279,339	108,813	28,788	(199,314)

The following assets were disposed of during the year:

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
<b>Plant and Equipment</b>				
<b>Governance</b>				
Toyota Prado GXL 2013	20,000	32,000	12,000	0
<b>Recreation and culture</b>				
Morbark Wood Chipper	318	3,488	3,170	0
<b>Transport</b>				
Ford PX Ranger	6,501	0	0	(6,501)
Kubota F3680 Mower Vin	2,200	5,691	3,491	0
South Pacific Jet A1 fuel truck	2,317	40,559	38,242	0
<b>Other property and services</b>				
Tractor 4wd	2,085	2,081	0	(4)
Toyota Camry Altise	7,288	7,500	212	0
Fuel trailer	340	666	326	0
Kubota Front end loader	4,763	13,538	8,775	0
Fuso Canter	4,780	8,340	3,560	0
Kubota mower	4,082	7,635	3,553	0
	54,874	121,498	73,329	(6,505)

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 8. FIXED ASSETS (Continued)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

#### Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

#### Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure that are acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

#### Revaluation

The fair value of land, buildings, infrastructure are determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

#### Revaluation (continued)

For property, plant and equipment and infrastructure, 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 class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

#### Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

#### Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.



# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 9. TRADE AND OTHER PAYABLES

### Current

Sundry creditors	
Prepaid rates	
Accrued payroll liabilities	
Other payables	
Accrued expenses	
Accrued interest on borrowings	

	2022	2021
	\$	\$
	3,612,589	1,473,262
	164,192	902,464
	159,733	115,699
	265,482	564,083
	2,820,338	594,258
	9,030	0
	<b>7,031,364</b>	<b>3,649,766</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

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

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.

#### Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

#### Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 10. OTHER LIABILITIES

### Current

Contract liabilities  
Capital grant/contributions liabilities

	2022 \$	2021 \$
Contract liabilities	124,860	227,553
Capital grant/contributions liabilities	2,487,091	773,724
	<u>2,611,951</u>	<u>1,001,277</u>
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	227,553	529,572
Additions	40,000	227,553
Revenue from contracts with customers included as a contract liability at the start of the period	(142,693)	(529,572)
	<u>124,860</u>	<u>227,553</u>
<b>Reconciliation of changes in capital grant/contribution liabilities</b>		
Opening balance	773,724	0
Additions	2,276,411	773,724
Revenue from capital grant/contributions held as a liability at the start of the period	(563,044)	0
	<u>2,487,091</u>	<u>773,724</u>
<b>Expected satisfaction of capital grant/contribution liabilities</b>		
Less than 1 year	2,487,091	773,724

The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

### Reconciliation of changes in capital grant/contribution liabilities

Opening balance  
Additions  
Revenue from capital grant/contributions held as a liability at the start of the period

### Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

### SIGNIFICANT ACCOUNTING POLICIES

#### Contract liabilities

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

#### Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 20(i)) due to the unobservable inputs, including own credit risk.

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 11. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		381,779	2,684,742	3,066,521	368,840	3,066,521	3,435,361
<b>Total secured borrowings</b>	24(a)	381,779	2,684,742	3,066,521	368,840	3,066,521	3,435,361

### Secured liabilities and assets pledged as security

Debentures and bank overdrafts are secured by a floating charge over the assets of the Shire of Derby/West Kimberley.

The Shire of Derby/West Kimberley has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

### SIGNIFICANT ACCOUNTING POLICIES

#### Borrowing costs

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 20(i)) due to the unobservable inputs, including own credit risk.

#### Risk

Information regarding exposure to risk can be found at Note 18.

Details of individual borrowings required by regulations are provided at Note 24(a).



# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 12. EMPLOYEE RELATED PROVISIONS

### Employee Related Provisions

#### Current provisions

#### Employee benefit provisions

Annual Leave

Long Service Leave

#### Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
Annual Leave	364,110	306,559
Long Service Leave	327,404	271,708
	691,514	578,267
Long Service Leave	59,355	159,406
	59,355	159,406
	750,869	737,673

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

#### Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

	2022	2021
	\$	\$
Less than 12 months after the reporting date	454,576	578,267
More than 12 months from reporting date	296,293	159,406
	750,869	737,673

### SIGNIFICANT ACCOUNTING POLICIES

#### Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

#### Short-term employee benefits

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

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

#### Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 13. OTHER PROVISIONS

	Note	Make good provisions \$	Provision for Deferred Creditors - RAAF Curtain \$	Total \$
<b>Restated opening balance at 1 July 2021</b>				
Non-current provisions	27	8,366,626	130,237	8,496,863
		8,366,626	130,237	8,496,863
<b>Charged to profit or loss</b>				
- unwinding of discount	2(b)	317,616	0	317,616
- Movement on revaluation of provision	14	(3,219,270)	0	(3,219,270)
<b>Balance at 30 June 2022</b>		<b>5,464,972</b>	<b>130,237</b>	<b>5,595,209</b>
<b>Comprises</b>				
Current		0	130,237	130,237
Non-current		5,464,972	0	5,464,972
		5,464,972	130,237	5,595,209

### Other provisions

Amounts which are reliably expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

### Make good provisions

Under the licence for the operation of the Shire of Derby-West Kimberley waste landfill site, the Shire has a legal obligation to restore the site.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

### Provisions

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

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

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 14. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	12,888,340	0	0	0	12,888,340	12,125,340	763,000	0	763,000	12,888,340
Revaluation surplus - Buildings	8,731,138	0	0	0	8,731,138	0	8,731,138	0	8,731,138	8,731,138
Revaluation surplus - Plant and equipment	748,903	0	0	0	748,903	748,903	0	0	0	748,903
Revaluation surplus - Computer equipment	18,880	0	0	0	18,880	18,880	0	0	0	18,880
Revaluation surplus - Infrastructure - roads	186,586,716	0	(1,199,320)	(1,199,320)	185,387,396	81,357,121	105,229,595	0	105,229,595	186,586,716
Revaluation surplus - Other infrastructure- drainage	2,778,257	0	(290,597)	(290,597)	2,487,660	5,076,353	0	(2,298,096)	(2,298,096)	2,778,257
Revaluation surplus - Other infrastructure- footpaths	0	0	0	0	0	192,005	0	(192,005)	(192,005)	0
Revaluation surplus - Other infrastructure - land & parks	4,451,496	0	0	0	4,451,496	2,327,966	2,123,530	0	2,123,530	4,451,496
Revaluation surplus - Other infrastructure - wharf	17,705,999	0	0	0	17,705,999	0	17,705,999	0	17,705,999	17,705,999
Revaluation surplus - Other infrastructure - airports	28,313,650	0	0	0	28,313,650	14,845,708	13,467,942	0	13,467,942	28,313,650
Revaluation surplus - Other infrastructure - other structures	2,539,121	0	0	0	2,539,121	2,667,627	0	(128,506)	(128,506)	2,539,121
Revaluation surplus - Other infrastructure - landfill assets <sup>1</sup>	832,954	3,219,270	(1,210,251)	2,009,019	2,841,973	0	1,492,582	(659,628)	832,954	832,954
	265,595,454	3,219,270	(2,700,168)	519,102	266,114,556	119,359,903	149,513,786	(3,278,235)	146,235,551	265,595,454

<sup>1</sup>Movement in the revaluation surplus for landfill assets arise from the decrease in value of the assets along with a decrease in the make good provision associated with the landfill assets. Refer notes 7(a) and 13.

\*Restated 30 June 2021 balance, refer to Note 27.



# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 15. NOTES TO THE STATEMENT OF CASH FLOWS

### (a) Reconciliation of Cash

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

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$	
Cash and cash equivalents	3	11,335,343	1,698,803	8,934,223
<b>Restrictions</b>				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	975,801	754,801	975,801
		975,801	754,801	975,801
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	25	975,801	754,801	975,801
<b>Total restricted financial assets</b>		975,801	754,801	975,801

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

Net result	(262,533)	12,317,007	(3,647,573)
Non-cash items:			
Depreciation/amortisation	7,806,061	7,131,200	7,268,331
(Profit)/loss on sale of asset	(66,824)	0	170,526
Loss on revaluation of fixed assets	0	0	1,394,281
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables	431,395	(70,844)	1,117,829
(Increase)/decrease in inventories	(16,958)	0	22,284
Increase/(decrease) in trade and other payables	3,381,598	0	63,790
Increase/(decrease) in employee related provisions	13,196	0	97,901
Increase/(decrease) in other provisions	317,616	0	367,928
Increase/(decrease) in other liabilities	1,610,674	(1,356,947)	471,705
Non-operating grants, subsidies and contributions	(5,329,129)	(22,040,788)	(1,828,621)
Net cash provided by/(used in) operating activities	7,885,096	(4,020,372)	5,498,381

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

Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	50,000	50,000
Credit card balance at balance date	(45,175)	(49,532)
<b>Total amount of credit unused</b>	4,825	468

### Loan facilities

Loan facilities - current	381,779	368,840
Loan facilities - non-current	2,684,742	3,066,521
<b>Total facilities in use at balance date</b>	3,066,521	3,435,361

### Unused loan facilities at balance date

NIL NIL

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 16. CONTINGENT LIABILITIES

The Shire of Derby / West Kimberley has in compliance with the *Contaminated Sites Act 2003* section 11 listed sites to be possible sources of contamination - details of those sites:

Derby Airport  
Myalls Bore  
Fitzroy Crossing Works Depot  
Derby Works Depot  
Derby Landfill Site  
Derby Cemetery  
Fitzroy Crossing Landfill Site  
Fitzroy Crossing Cemetery  
Camballin Cemetery  
Camballin Landfill Sites

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and Environment Regulation the need and criteria for remediation using a risk based approach, the amount of the contingent liability is unknown. This approach is consistent with the Department of Water and Environment Regulation Guidelines.

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 17. RELATED PARTY TRANSACTIONS

### (a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Councillor 1</b>			
President's annual allowance	62,727	62,727	62,727
Meeting attendance fees	23,231	23,231	22,125
Annual allowance for ICT expenses	1,333	1,333	0
	87,291	87,291	84,852
<b>Councillor 2</b>			
Deputy President's annual allowance	4,637	15,682	15,682
Meeting attendance fees	17,325	17,325	16,500
Annual allowance for ICT expenses	1,333	1,333	0
	23,295	34,340	32,182
<b>Councillor 3</b>			
Meeting attendance fees	17,325	17,325	16,500
Annual allowance for ICT expenses	1,333	1,333	0
Travel and accommodation expenses	0	0	2,591
	18,658	18,658	19,091
<b>Councillor 4</b>			
Meeting attendance fees	5,076	17,325	16,500
Other expenses	275	0	0
Annual allowance for ICT expenses	0	1,333	1,333
	5,351	18,658	17,833
<b>Councillor 5</b>			
Meeting attendance fees	17,325	17,325	16,500
Annual allowance for ICT expenses	1,333	1,333	0
Travel and accommodation expenses	0	0	120
	18,658	18,658	16,620
<b>Councillor 6</b>			
Meeting attendance fees	1,071	17,325	16,500
Annual allowance for ICT expenses	82	1,333	0
	1,153	18,658	16,500
<b>Councillor 7</b>			
Meeting attendance fees	17,325	17,325	16,500
Annual allowance for ICT expenses	1,333	1,333	0
Travel and accommodation expenses	1,698	0	2,019
	20,356	18,658	18,519
<b>Councillor 8</b>			
Meeting attendance fees	17,325	17,325	16,500
Annual allowance for ICT expenses	1,333	1,333	0
	18,658	18,658	16,500
<b>Councillor 9</b>			
Meeting attendance fees	17,325	17,325	16,500
Annual allowance for ICT expenses	1,333	1,333	0
Travel and accommodation expenses	4,970	0	0
	23,628	18,658	16,500
<b>Councillor 10</b>			
Meeting attendance fees	12,249	0	0
Deputy President's annual allowance	11,045	0	0
Annual allowance for ICT expenses	942	0	0
Travel and accommodation expenses	2,557	0	0
	26,793	0	0
<b>Councillor 11</b>			
Meeting attendance fees	12,249	0	0
Annual allowance for ICT expenses	942	0	0
Travel and accommodation expenses	5,228	0	0
	18,419	0	0
	262,260	252,237	238,597



# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 17. RELATED PARTY TRANSACTIONS (Continued)

Fees, expenses and allowances to be paid or reimbursed to elected council members.

	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	62,727	62,727	62,727
Deputy President's annual allowance	15,682	15,682	15,682
Meeting attendance fees	157,826	161,831	154,125
Other expenses	275	0	0
Annual allowance for ICT expenses	11,297	11,997	1,333
Travel and accommodation expenses	14,453	0	4,730
	262,260	252,237	238,597

### (b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

	2022 Actual \$	2021 Actual \$
Short-term employee benefits	1,299,541	1,388,739
Post-employment benefits	181,337	152,489
Employee - other long-term benefits	99,967	89,956
Employee - termination benefits	0	25,960
Council member costs	262,260	238,597
	1,843,105	1,895,741

#### Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

#### Post-employment benefits

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

#### Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

#### Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

#### Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 17. RELATED PARTY TRANSACTIONS (Continued)

### (c) Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	2022 Actual \$	2021 Actual \$
Sale of goods and services	2,316	4,566
Purchase of goods and services	841	38,740
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	1,108	505
<b>Amounts payable to related parties:</b>		
Trade and other payables	0	25,470

### (d) Related Parties

The Shire's main related parties are as follows:

#### i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel.

#### ii. Other Related Parties

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

#### iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 18. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire 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 finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

### (a) Interest rate risk

#### Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
<b>2022</b>					
Cash and cash equivalents	0.12%	11,335,343	975,801	10,248,690	110,852
<b>2021</b>					
Cash and cash equivalents	0.16%	8,934,223	1,272,289	7,588,849	73,085

#### Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2022 \$	2021 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	102,487	75,888

\* Holding all other variables constant

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Shire 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 Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 24(a).



# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 18. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

#### Trade and Other Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire 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 the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is 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.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2022</b>					
Trade and other receivables					
Expected credit loss	2.87%	2.87%	2.87%	74.13%	
Gross carrying amount	426,735	23,922	29,389	486,171	966,217
Loss allowance	12,243	686	843	360,390	374,162
<b>30 June 2021</b>					
Trade and other receivables					
Expected credit loss	0.87%	0.88%	0.99%	80.57%	
Gross carrying amount	401,750	138,312	88,379	448,982	1,077,423
Loss allowance	3,976	1,216	876	361,767	367,835

### (b) Credit risk

The loss allowances for trade receivables as at 30 June reconcile to the opening loss allowances as follows:

	Trade and other receivables	
	2022 Actual	2021 Actual
	\$	\$
Opening loss allowance as at 1 July	367,835	0
Increase in loss allowance recognised in profit or loss during the year	6,327	0
Unused amount reversed	0	367,835
Closing loss allowance at 30 June	374,162	367,835

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 18. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 15(c).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<b>2022</b>					
Trade and other payables	7,031,364	0	0	7,031,364	7,031,364
Borrowings	484,668	2,271,474	769,218	3,525,360	3,066,521
	<u>7,516,032</u>	<u>2,271,474</u>	<u>769,218</u>	<u>10,556,724</u>	<u>10,097,885</u>
<b>2021</b>					
Trade and other payables	3,649,766	0	0	3,649,766	3,649,766
Borrowings	484,644	2,339,353	1,186,008	4,010,005	3,435,361
	<u>4,134,410</u>	<u>2,339,353</u>	<u>1,186,008</u>	<u>7,659,771</u>	<u>7,085,127</u>

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 19. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

In January 2023 ex tropical cyclone Ellie caused significant flooding in the district with Fitzroy Crossing and the Shire's road network severely damaged.

A large number of Shire assets have been impacted with reduced services being provided to the community. The value of assets damaged or destroyed by the flooding is yet to be determined.



# Notes to and Forming Part of The Financial Report

## For the Year Ended 30 June 2022

### 20. OTHER SIGNIFICANT ACCOUNTING POLICIES

#### a) Goods and services tax (GST)

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

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

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

#### b) Current and non-current classification

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

#### c) Rounding off figures

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

#### d) Comparative figures

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

#### e) 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.

#### f) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

#### g) Fair value of assets and liabilities

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

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

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

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

#### h) Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

#### i) Fair value hierarchy

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

##### Level 1

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

##### Level 2

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

##### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

#### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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

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

#### j) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised 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 that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

#### k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

#### New accounting standards for application in future years

The following new accounting standards will have application to local government in future years

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 20 18-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 21. FUNCTION AND ACTIVITY

### (a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
<b>Governance</b> To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.
<b>General purpose funding</b> To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>Law, order, public safety</b> To provide services to help ensure a safer and environmentally conscious community.	Supervision of various by-laws, fire prevention, emergency services and animal control.
<b>Health</b> To provide an operational framework for environmental and community health.	Food quality and pest control, inspection of abattoir and operation of child health clinic, analytical testing and environmental health administration.
<b>Education and welfare</b> To provide services to disadvantaged persons, the elderly, children and youth.	Year round care, housing for the aged and educational services.
<b>Housing</b> Help ensure adequate housing.	Management and maintenance of staff and rental housing.
<b>Community amenities</b> To provide services required by the community.	Rubbish collections, recycling, refuse site operations, litter control, administration of the town planning scheme, cemetery operations, public toilet facilities, sewerage and protection of the environment.
<b>Recreation and culture</b> To establish and effectively manage infrastructure and resources which help the social well being of the community.	Maintenance and operation of the Town Hall, the aquatic centre, recreation centre, library, community arts program, cultural activities and various services.
<b>Transport</b> To provide safe, effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges, footpaths, street lighting, traffic management and airport. Purchase and disposal of Council's road plant, parking control and police licensing.
<b>Economic services</b> To help promote the Shire and its economic well being.	Building control, saleyards, tourism and area promotion, standpipes and pest control.
<b>Other property and services</b> To monitor and control the Shire's overheads operating accounts.	Private works operations, plant repairs and operation costs, stock and materials, property leases and rental, salaries and wages for council employees.

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 21. FUNCTION AND ACTIVITY (Continued)

### (b) Income and expenses

	2022 Actual	2022 Budget	Restated 2021 Actual
	\$	\$	\$
<b>Income excluding grants, subsidies and contributions</b>			
Governance	14,135	3,750	1,158
General purpose funding	7,885,151	7,923,414	7,646,679
Law, order, public safety	46,848	74,950	58,725
Health	24,846	45,019	49,966
Education and welfare	136	0	0
Housing	127,189	108,800	91,111
Community amenities	2,548,233	2,185,272	1,784,707
Recreation and culture	295,710	149,500	137,250
Transport	2,180,730	1,620,000	2,075,553
Economic services	98,658	57,000	78,149
Other property and services	73,017	72,504	107,815
	<u>13,294,653</u>	<u>12,240,209</u>	<u>12,031,113</u>
<b>Grants, subsidies and contributions</b>			
General purpose funding	7,452,624	3,130,711	6,137,770
Law, order, public safety	67,414	208,896	204,835
Health	672,002	661,497	571,058
Education and welfare	755,828	1,139,770	132,061
Housing	0	0	6,264
Community amenities	56,331	349,863	273
Recreation and culture	119,400	455,372	208,390
Transport	4,197,580	21,951,029	3,337,610
Economic services	17,481	105,000	5,686
Other property and services	0	10,000	23,778
	<u>13,338,660</u>	<u>28,012,138</u>	<u>10,627,725</u>
<b>Total income</b>	<u>26,633,313</u>	<u>40,252,347</u>	<u>22,658,838</u>
<b>Expenses</b>			
Governance	(1,424,067)	(1,670,237)	(1,214,318)
General purpose funding	(504,878)	(434,987)	(609,156)
Law, order, public safety	(620,158)	(770,307)	(645,066)
Health	(1,198,494)	(1,460,607)	(961,513)
Education and welfare	(991,245)	(858,372)	(722,644)
Housing	(340,853)	(597,445)	(755,789)
Community amenities	(3,810,233)	(4,082,207)	(5,607,718)
Recreation and culture	(5,635,089)	(6,663,225)	(5,527,611)
Transport	(10,671,138)	(9,934,288)	(8,996,488)
Economic services	(1,150,525)	(1,323,943)	(1,156,541)
Other property and services	(549,166)	(139,722)	(109,567)
<b>Total expenses</b>	<u>(26,895,846)</u>	<u>(27,935,340)</u>	<u>(26,306,411)</u>
<b>Net result for the period</b>	<u>(262,533)</u>	<u>12,317,007</u>	<u>(3,647,573)</u>



# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 21. FUNCTION AND ACTIVITY (Continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>(c) Fees and Charges</b>			
Governance	1,557	3,750	836
General purpose funding	21,681	19,900	19,662
Law, order, public safety	26,087	43,700	27,393
Health	18,960	45,019	49,960
Housing	119,045	88,800	88,228
Community amenities	2,548,233	2,185,272	1,784,707
Recreation and culture	103,350	109,500	93,318
Transport	1,797,932	1,620,000	1,617,428
Economic services	23,736	56,000	14,648
Other property and services	12,916	8,500	9,264
	<b>4,673,497</b>	<b>4,180,441</b>	<b>3,705,444</b>
<b>(d) Total Assets</b>			
Governance	218,080	444,879	
General purpose funding	1,036,490	1,914,927	
Law, order, public safety	445,201	437,689	
Health	793,417	954,136	
Education and welfare	3,077,403	2,957,037	
Housing	9,473,455	9,634,125	
Community amenities	5,740,209	5,786,852	
Recreation and culture	20,719,513	21,026,205	
Transport	288,863,166	288,304,566	
Economic services	3,105,792	3,114,453	
Other property and services	3,069,374	2,311,419	
Unallocated	10,294,153	7,958,422	
	<b>346,836,253</b>	<b>344,844,710</b>	

# Notes to and Forming Part of The Financial Report

## For the Year Ended 30 June 2022

### 22. RATING INFORMATION

#### (a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
GRV General	Gross rental valuation	0.1291	1,454	36,764,820	4,747,626	1,300	(25)	4,748,901	4,744,966	9,610	0	4,754,576	4,720,533
UV General	Unimproved valuation	0.0728	141	35,688,222	2,598,102	(2,046)	(34,652)	2,561,404	2,598,048	90	0	2,598,138	0
UV Pastoral	Unimproved valuation	0	0	0	0	0	0	0	0	0	0	0	2,049,515
UV Mining	Unimproved valuation	0	0	0	0	0	0	0	0	0	0	0	395,021
<b>Sub-Total</b>			1,595	72,453,042	7,345,728	(746)	(34,677)	7,310,305	7,343,014	9,700	0	7,352,714	7,165,069
<b>Minimum payment</b>		<b>\$</b>											
GRV General	Gross rental valuation	1.320	220	1,135,440	290,400	0	0	290,400	290,400	0	0	290,400	185,887
UV General	Unimproved valuation	610	140	332,296	85,400	0	0	85,400	85,400	0	0	85,400	0
UV Pastoral	Unimproved valuation	0	0	0	0	0	0	0	0	0	0	0	8,216
UV Mining	Unimproved valuation	0	0	0	0	0	0	0	0	0	0	0	61,110
<b>Sub-Total</b>			360	1,467,736	375,800	0	0	375,800	375,800	0	0	375,800	255,213
			1,955	73,920,778	7,721,528	(746)	(34,677)	7,686,105	7,718,814	9,700	0	7,728,514	7,420,282
Discounts on general rates (Refer note 22(b))								(59,165)				(50,000)	(55,038)
<b>Total amount raised from general rates</b>								<b>7,626,940</b>				<b>7,678,514</b>	<b>7,365,244</b>
<b>(b) Total Rates</b>								<b>7,626,940</b>				<b>7,678,514</b>	<b>7,365,244</b>

\* Rateable value is based on the value of properties at the time the rate is raised.

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.

# Notes to and Forming Part of The Financial Report

## For the Year Ended 30 June 2022

### 22. RATING INFORMATION (Continued)

#### (b) Discounts, Incentives, Concessions, & Write-offs

##### Rates Discounts

Rate or Fee Discount Granted	Type	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$	Circumstances in which Discount is Granted
Discount	Rate	1.50%	0	59,165	50,000	55,038	A discount is offered to ratepayers whose payment of the full amount, including arrears and other charges is received on or before 21 days after the date appearing on the rate notice. The discount will apply to interim rates issued after the billing date.
				59,165	50,000	55,038	

##### Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
50% of facility hire fees	Fee and charge	Waiver	0.00%	0	0	0	650
					0	0	650
Total discounts/concessions (Note 22)					59,165	50,000	55,688

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
50% of facility hire fees	50% of use for some community organisations and shire staff.	To support clubs for contributions made to the community and to protect the health and lifestyle of shire staff.	



# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 22. RATING INFORMATION (Continued)

### (c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
<b>Option One</b>				
Single full payment	13/10/2021	0	0.00%	7.00%
<b>Option Two</b>				
First instalment	13/10/2021	15	5.50%	7.00%
Second instalment	14/02/2022	15	5.50%	7.00%
<b>Option Three</b>				
First instalment	13/10/2021	15	5.50%	7.00%
Second instalment	13/12/2021	15	5.50%	7.00%
Third instalment	14/02/2022	15	5.50%	7.00%
Fourth instalment	14/04/2022	15	5.50%	7.00%

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Interest on unpaid rates	136,327	200,000	209,146
Interest on instalment plan	13,068	25,000	29,396
Charges on instalment plan	10,800	12,000	11,760
	160,195	237,000	250,302

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 23. RATE SETTING STATEMENT INFORMATION

Note	2021/22 (30 June 2022 Carried Forward) \$	2021/22 Budget (30 June 2022 Carried Forward) \$	Restated 2020/21 (30 June 2021 Carried Forward) \$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	8(b) (73,329)	0	(28,788)
Less: Movement in liabilities associated with restricted cash	0	0	402,441
Add: Loss on disposal of assets	8(b) 6,505	0	199,314
Add: Loss on revaluation of fixed assets	7(a) 0	0	2,053,909
Add: Depreciation	8(a) 7,806,061	7,131,200	7,268,331
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(2,248)	0	15,140
Employee benefit provisions	(100,051)	0	78,375
Other provisions	187,379	0	367,928
<b>Non-cash amounts excluded from operating activities</b>	<b>7,824,317</b>	<b>7,131,200</b>	<b>10,356,650</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	25 (975,801)	(754,801)	(975,801)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	11 381,779	381,779	368,840
- Employee benefit provisions	402,441	402,441	402,441
<b>Total adjustments to net current assets</b>	<b>(191,581)</b>	<b>29,419</b>	<b>(204,520)</b>
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets	13,576,583	3,595,574	11,592,148
Less: Total current liabilities	(10,846,845)	(3,624,993)	(5,598,150)
Less: Total adjustments to net current assets	(191,581)	29,419	(204,520)
<b>Net current assets used in the Rate Setting Statement</b>	<b>2,538,157</b>	<b>0</b>	<b>5,789,478</b>

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 24. BORROWING AND LEASE LIABILITIES

### (a) Borrowings

Purpose	Note	Loan	Actual						Budget				
			Principal			Principal			Principal			Principal	
			Principal at 1 July 2020	New Loans During 2020-21	Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Repayments During 2021-22	Principal at 30 June 2022
Staff housing		136	\$ 97,299	\$ 0	\$ (22,023)	\$ 75,276	\$ 0	\$ (23,491)	\$ 51,785	\$ 75,276	\$ 0	\$ (23,491)	\$ 51,785
Staff housing		146	610,251	0	(45,371)	564,880	0	(48,289)	516,591	564,880	0	(48,289)	516,591
Staff housing		148	280,734	0	(18,112)	262,622	0	(18,934)	243,688	262,622	0	(18,934)	243,688
Civic Centre renovations		135	16,791	0	(16,791)	0	0	0	0	0	0	0	0
Wharf fenders, boat ramp		145	218,673	0	(25,278)	193,395	0	(27,044)	166,351	193,395	0	(27,044)	166,351
Derby wharf infrastructure		151	326,000	0	(36,805)	289,395	0	(37,719)	251,676	289,395	0	(37,719)	251,676
Derby Airport Infrastructure & wharf		152	1,907,970	0	(186,455)	1,721,515	0	(189,695)	1,531,820	1,721,515	0	(189,695)	1,531,820
Derby Visitors Centre		149	350,917	0	(22,639)	328,278	0	(23,668)	304,610	328,278	0	(23,668)	304,610
<b>Total Borrowings</b>	11		<b>3,808,635</b>	<b>0</b>	<b>(373,274)</b>	<b>3,435,361</b>	<b>0</b>	<b>(368,840)</b>	<b>3,066,521</b>	<b>3,435,361</b>	<b>0</b>	<b>(368,840)</b>	<b>3,066,521</b>

\* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

### Borrowing Interest Repayments

Purpose	Note	Loan	Function and activity	Institution	Interest Rate	Actual for year ending	Budget for year ending	Actual for year ending
						30 June 2022	30 June 2022	30 June 2021
Staff housing		136	Housing	WATC*	6.46%	\$ (4,799)	\$ (4,489)	\$ (5,967)
Staff housing		146	Housing	WATC*	6.33%	(43,446)	(35,004)	(27,950)
Staff housing		148	Housing	WATC*	4.49%	(11,841)	(11,581)	(11,823)
Civic Centre renovations		135	Recreation and culture	WATC*	5.32%	0	0	(5)
Wharf fenders, boat ramp		145	Transport	WATC*	6.87%	(12,881)	(12,829)	(14,555)
Derby wharf infrastructure		151	Transport	WATC*	3.02%	(8,499)	(8,457)	(9,517)
Derby Airport Infrastructure & wharf		152	Transport	WATC*	1.72%	(29,037)	(28,965)	(32,114)
Derby Visitors Centre		149	Economic services	WATC*	4.49%	(14,552)	(14,476)	(15,419)
<b>Total Interest Repayments</b>	2(b)					<b>(124,835)</b>	<b>(115,801)</b>	<b>(117,250)</b>

\* WA Treasury Corporation



# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

25. RESERVE ACCOUNTS	2022	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021	
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Actual	Actual	Actual	Actual	
	Opening	Transfer to	Transfer	Closing	Opening	Transfer to	Transfer	Opening	Transfer to	Transfer	Closing	
	Balance		(from)	Balance	Balance		(from)	Balance		(from)	Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Restricted by council</b>												
(a) Leave Reserve	402,441	0	0	402,441	402,441	0	0	402,441	0	0	402,441	
(b) Office Building Reserve	314,511	0	0	314,511	314,511	0	(221,000)	93,511	0	(500,000)	314,511	
(c) Airport Reserve	28,456	0	0	28,456	28,456	0	0	28,456	0	0	28,456	
(d) Derby Wharf Maintenance Reserve	3,721	0	0	3,721	3,721	0	0	3,721	0	0	3,721	
(e) Economic Development Reserve	19,936	0	0	19,936	19,936	0	0	19,936	0	0	19,936	
(f) Fitzroy Crossing Recreation Hall Reserve	46,771	0	0	46,771	46,771	0	0	46,771	0	0	46,771	
(g) Staff Housing Reserve	159,965	0	0	159,965	159,965	0	0	159,965	0	0	159,965	
(h) Energy Developments Ltd West Kimberley Cement Donations Reserve	0	0	0	0	0	0	0	26,853	0	(26,853)	0	
	975,801	0	0	975,801	975,801	0	(221,000)	754,801	1,502,654	0	(526,853)	975,801

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Office Building Reserve	Ongoing	To be used to fund the new Derby administration building
(c) Airport Reserve	Ongoing	To be used to fund airport capital works, primarily bitumen resealing
(d) Derby Wharf Maintenance Reserve	Ongoing	To be used to carry out wharf maintenance
(e) Economic Development Reserve	Ongoing	To promote economic development within the Shire
(f) Fitzroy Crossing Recreation Hall Reserve	Ongoing	To be used to quarantine funds received from the lease of the FX Recreation Hall to be utilised for any upgrade works
(g) Staff Housing Reserve	Ongoing	To be used for the construction of staff housing
(h) Energy Developments Ltd West Kimberley Cement Donations Reserve	Ongoing	To administer the funds provided by Energy Developments Limited to create lasting value throughout the West Kimberley by contributing to not-for-profit projects or activities that benefit the Shire of Derby/West Kimberley

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 26. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Public open spaces	295,981	0	0	295,981
	295,981	0	0	295,981

# Notes to and Forming Part of The Financial Report

For the Year Ended 30 June 2022

## 27. CORRECTION OF PRIOR PERIOD ERROR

Paragraph 17A of the *Local Government (Financial Management) Regulation 1996* was amended to require all physical non-current asset to be valued on a fair value basis with full implementation by June 2017. At the time of application landfill assets were omitted in error.

A provision for the rehabilitation of the Derby and Fitzroy Crossing landfill sites was recognised as at 1 July 2017 as a prior period error correction in the 2018-19 financial statements and an asset recognised for the same value of the provision.

Review of these calculations and associated accounting in the current year identified prior period errors in both the provision and the carrying amount of the landfill assets. The rehabilitation provision was overstated due to the use of incorrect projected costs. The landfill assets useful life was also incorrectly calculated from 1 July 2017 on initial take up instead of when the rehabilitation asset components were considered to have been first established (i.e. when the landfill sites started operating).

The Shire has retrospectively applied the corrections and adjustments to the carrying amount of the two landfill sites and their associated rehabilitation provisions. The impact of these adjustments is provided below.

The Shire reclassified the landfill asset from property, plant and equipment to infrastructure in 2020-21, but not the 2019-20 comparatives. The adjustments below also reclassify the landfill asset as at 1 July 2020 from property, plant and equipment to infrastructure for comparability purposes.

Statement of Financial Position (Extract)	30 June 2021 \$	Increase/ (Decrease) \$	30 June 2021 (Restated) \$	1 July 2020 \$	Increase/ (Decrease) \$	1 July 2020 (Restated) \$
Property, plant and equipment	47,444,801	18,040	47,462,841	45,666,420	(6,001,404)	39,665,016
Infrastructure	291,233,418	(5,552,311)	285,681,107	149,684,526	3,629,114	153,313,640
Non current other provisions	11,332,588	(2,835,725)	8,496,863	9,969,121	(347,604)	9,621,517
Net assets	330,222,316	(2,698,546)	327,523,770	186,960,478	(2,024,686)	184,935,792
Retained earnings	63,069,114	(2,116,599)	60,952,515	66,097,921	(2,024,686)	64,073,235
Revaluation surplus	266,177,401	(581,947)	265,595,454	119,359,903	0	119,359,903
Total equity	330,222,316	(2,698,546)	327,523,770	186,960,478	(2,024,686)	184,935,792

Statement of Comprehensive Income (Extract)	2021 \$	Increase/ (Decrease) \$	2021 (Restated) \$
<i>By Nature or Type</i>			
Depreciation	(7,414,109)	145,778	(7,268,331)
Finance costs	(117,250)	(237,691)	(354,941)
Net loss for the period	(3,555,660)	(91,913)	(3,647,573)
<b>Other comprehensive income for the period</b>			
Changes in asset revaluation surplus	146,817,498	(581,947)	146,235,551
<b>Total other comprehensive income for the period</b>	146,817,498	(581,947)	146,235,551
<b>Total comprehensive income for the period</b>	143,261,838	(673,860)	142,587,978
<b>Note 13. Other provisions (Extract)</b>			
	30 June 2021 \$	Increase/ (Decrease) \$	30 June 2021 (Restated) \$
Make good provision	11,202,351	(2,835,725)	8,366,626
<b>Note 14. Revaluation surplus (Extract)</b>			
Revaluation surplus - Reclamation asset	1,414,901	(581,947)	832,954



# Independent Auditor's Report

For the Year Ended 30 June 2022



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022 Shire of Derby-West Kimberley

To the Councillors of the Shire of Derby-West Kimberley

#### Opinion

I have audited the financial report of the Shire of Derby-West Kimberley (Shire) which comprises:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

#### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matter – Restatement of comparative figures

I draw attention to Note 27 of the financial report which states that the amounts reported in the previously issued 30 June 2021 financial report have been restated and disclosed as comparatives in this financial report.

My opinion is not modified in respect of this matter.

#### Other information

The Chief Executive Officer (CEO) is responsible for preparing and the Council for overseeing, the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

# Independent Auditor's Report

For the Year Ended 30 June 2022

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

## Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer of the Shire is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

## Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

# Independent Auditor's Report

For the Year Ended 30 June 2022

## My independence and quality control relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

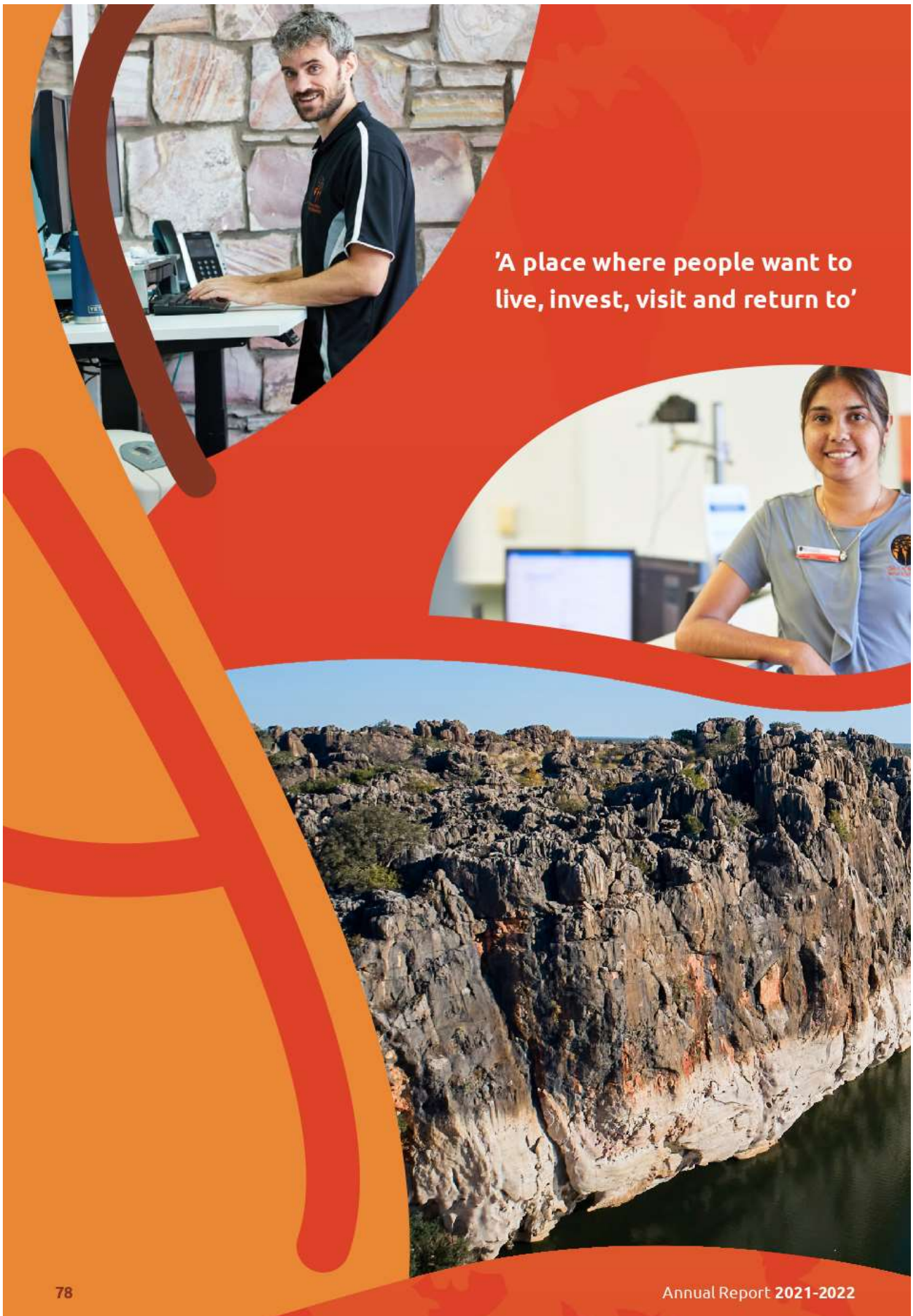
## Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Derby-West Kimberley for the year ended 30 June 2022 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

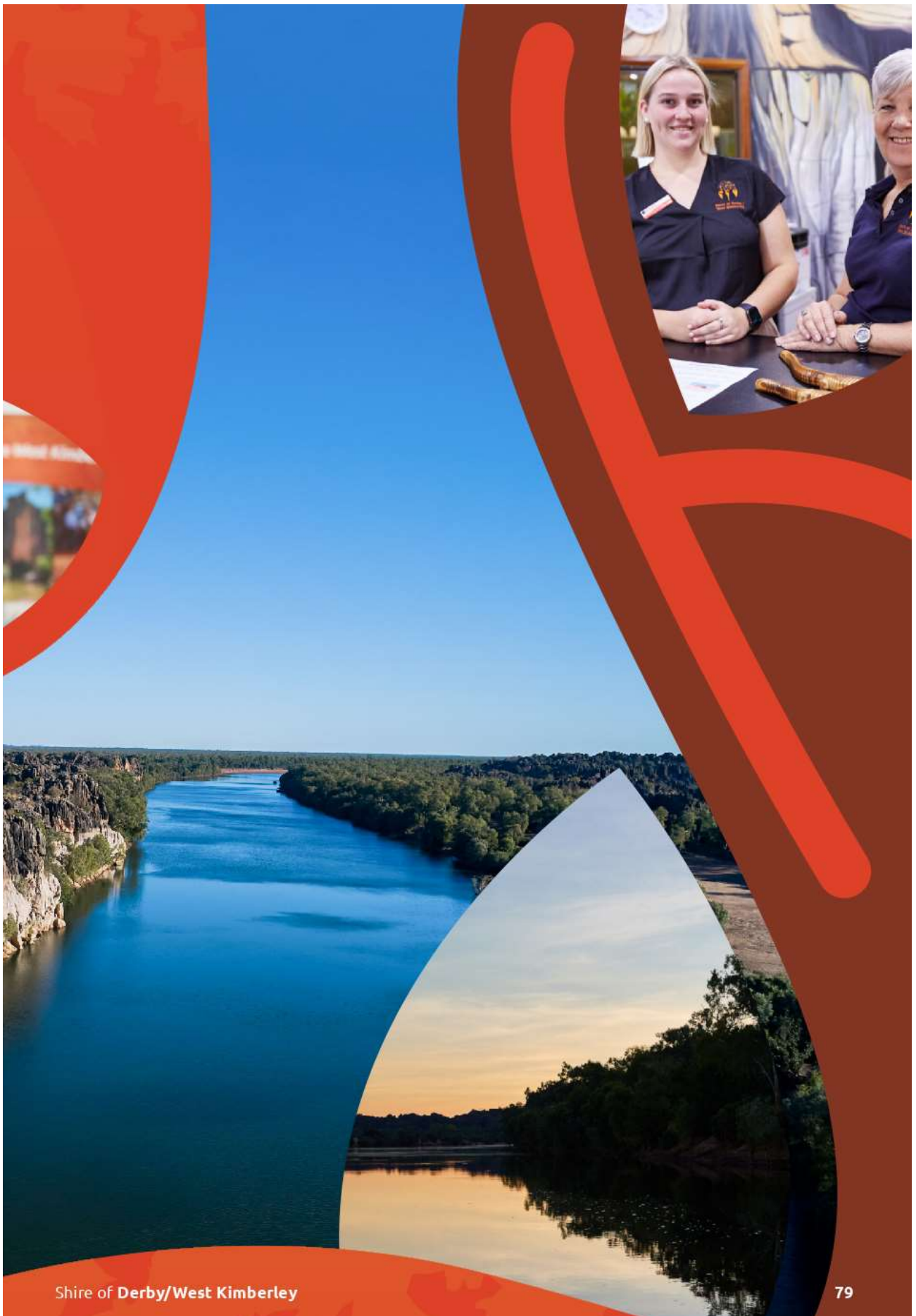


Grant Robison  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
18 April 2023





**'A place where people want to live, invest, visit and return to'**



Shire of Derby/West Kimberley

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**Derby**

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**Shire of Derby /  
West Kimberley**



**4.2 QUESTIONS FROM ELECTORS ON ITEMS RELATING TO THE ANNUAL REPORT 21/22**

- Nil

**5 GENERAL BUSINESS**

**5.1 QUESTIONS FROM ELECTORS ON ITEMS RELATING TO OTHER MATTERS**

- Nil

**6 CLOSURE**

**6.1 Closure of Meeting**

The Presiding Member closed the meeting at 4:58pm.

**These minutes were confirmed at a meeting on**

.....

**Signed:** .....

**Presiding Person at the meeting at which these minutes were confirmed.**

**Date:** .....