



**Shire of Derby /
West Kimberley**

CONFIRMED MINUTES

**Annual General Meeting
Thursday, 8 February 2024**

Date: Thursday, 8 February 2024

Time: 4:30 PM

**Location: Council Chambers
Clarendon Street
Derby**



Order Of Business

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| | 7.1 Closure of Meeting..... | 47 |

**MINUTES OF SHIRE OF DERBY / WEST KIMBERLEY
ANNUAL GENERAL MEETING
HELD AT THE COUNCIL CHAMBERS, CLARENDON STREET, DERBY
ON THURSDAY, 8 FEBRUARY 2024 AT 4:30 PM**

PRESENT

(In the Room): Cr Geoff Haerewa (Deputy President), Cr Andrew Twaddle, Cr Brett Angwin, Cr Paul Bickerton, Cr Brian Ellison and Cr Kerrissa O'Meara.

PRESENT

(Videoconference): Mr Peter McCumstie (President)

IN ATTENDANCE

(In the Room): Tamara Clarkson (Deputy Chief Executive Officer), Wayne Neate (Director, Technical and Development Services), Sarah Smith (Executive Services Coordinator), Jess Karlsson (Executive Director of Operations and Strategic Development), Mark Davis (Executive Services Project Director), Bob Hoogland (Manager of Corporate Services) and Elizabeth Mason (Executive Services Project Manager).

IN ATTENDANCE

(Videoconference): Amanda Dexter (Chief Executive Officer) and Neil Hartley (Director, Strategic Business)

MEMBERS OF THE PUBLIC: Gail Freeland and Tony Gavranich.

GALLERY: Nil

APOLOGIES: Cr Geoff Davis and Cr Wayne Foley.

APPROVED LEAVE OF ABSENCE: Nil

ABSENT: Nil

1 DECLARATION OF OPENING, ANNOUNCEMENTS OF VISITORS

The meeting was opened at 4:31pm by Geoff Haerewa – Deputy President.

2 ACKNOWLEDGEMENT OF COUNTRY

In the spirit of reconciliation, the Shire of Derby/West Kimberley acknowledges the traditional custodians of country throughout the Shire and their connection to land, sea and community.

The Shire of Derby/West Kimberley would also like to pay respect to the past, present and future traditional custodians and Elders of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

3 ATTENDANCE VIA TELEPHONE/INSTANTANEOUS COMMUNICATIONS

- Mr Peter McCumstie – President;
- Amanda Dexter – Chief Executive Officer; and
- Neil Hartley – Director Strategic Business.

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**COMMITTEE RESOLUTION AGMCC01/24****Moved: Cr Brett Angwin****Seconded: Cr Andrew Twaddle****That the Minutes of the Annual General Meeting held at the Council Chambers, Clarendon Street, Derby, on 20 July 2023 be CONFIRMED.**

In Favour: Mr Peter McCumstie and Crs Geoff Haerewa, Brett Angwin, Paul Bickerton, Brian Ellison, Kerrissa O'Meara and Andrew Twaddle

Against: Nil

CARRIED 7/0

REPORTS**5 EXECUTIVE SERVICES****5.1 PRESENTATION OF THE 2022/2023 ANNUAL REPORT**

The Chief Executive Officer and Deputy Chief Executive Officer gave an presentation on the Shire's the Annual Report 2022/23.

VOTING REQUIREMENT

Simple majority

ATTACHMENTS**1. Annual Report – 2022/2023**  **COMMITTEE RESOLUTION AGMCC02/24**

Moved: Cr Kerrissa O'Meara

Seconded: Cr Paul Bickerton

That the Annual Report for the period 1 July 2022 to 30 June 2023 as presented, be received.

In Favour: Mr Peter McCumstie and Crs Geoff Haerewa, Brett Angwin, Paul Bickerton, Brian Ellison, Kerrissa O'Meara and Andrew Twaddle

Against: Nil

CARRIED 7/0



**Shire of Derby /
West Kimberley**

Annual Report **2022/23**

www.sdwk.wa.gov.au



Acknowledgement of Country

In the spirit of reconciliation, the Shire of Derby/West Kimberley acknowledges the traditional custodians of country throughout the Shire and their connection to land, sea and community.

The Shire of Derby/West Kimberley would also like to pay respect to the past, present and future traditional custodians and Elders of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.



Our Community and Aboriginal Heritage

The area now known as the Shire of Derby/West Kimberley has a diverse Aboriginal 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 Bunuba, Bardi, Jawi, Ngarinyin, Worrorra, Nyikina, Mangala, Unggumi, Bunuba, Walmajarri, Kija, Warrwa, Gooniyandi, Oogardang, Oomeday, Yow Jabi and Wangkatjunka language groups (among others) would interact for lore and ceremonial business.

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.



Our Wider Community

Our Shire is home to over 7075 people living in 54 communities across the vast West Kimberley. These people all contribute to the district in some form, like helping in the community, running pastoral stations and other businesses, and otherwise participating in making the place we live in a little bit better each year.

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 118,560 square kilometres.



Our Annual Report

The Shire of Derby/West Kimberley is very pleased to be able to present this annual report for the 2022/23 financial year. The report highlights our activities and achievements, and our challenges, over the 12-month period.

The most significant impact during 2022/23, has been Kimberley Floods, which in January 2023, dumped a record level of rainfall in our district. The tropical low tracked west across the West Kimberley resulting in significant rainfall and flooding. Rainfall totals over 500mm were recorded in the Fitzroy River Catchment causing major flooding along the Fitzroy River. Flood levels peaked at Fitzroy Crossing, reaching a record level of 15.81m. The resultant community disruption and structural damage was considerable, with many homes and people’s personal property and their belongings, pastoral fences and stock being damaged, washed away, or destroyed. Even the Fitzroy River Bridge at Fitzroy Crossing was damaged beyond repair and needed to be completely rebuilt. The impact on the Fitzroy Crossing townsite community bordered on being catastrophic, which resulted in defence force assistance, and state and federal government financial support packages being put into place. The financial cost of the damage will likely reach \$1,000,000,000 and the community impact will last for decades, coming to terms with tragedy of lives lost and personal and social upheaval. The impact on the Shire’s operations will also be measurably impacted for several years, with previous financial and staffing resources and priorities needing to be urgently changed to enable the Shire to provide the required levels of support to our community’s immediate and longer-term needs.

Whilst the impacts of this flood touched everybody’s work at the Shire, our core business must continue, and our strategic goal of continual improvement must also continue to be reached for. The information in this report sets out a snapshot of the Shire’s progress over this period. We may not have achieved what we set out to do before Kimberley Floods visited, but we have still made meaningful progress none-the-less.

This report is organised to align with our Strategic Community Plan 2021-2031 and associated documents. These plans highlight the strategic vision for the Shire based on our vision and values.



Leadership and Governance



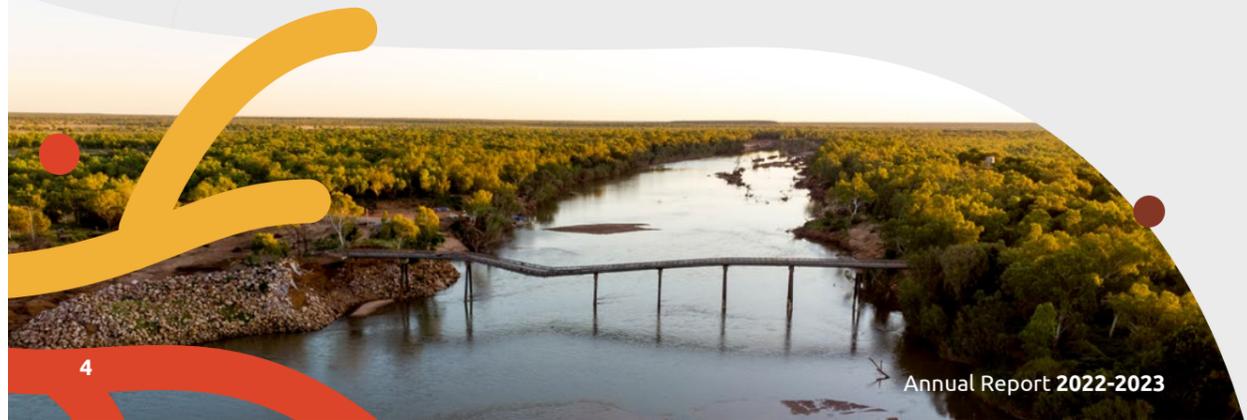
Community



Economy



Environment



Our annual report focuses on the key projects delivered in 2022/23, 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 2022-2023 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 2022/23



1961

Became the Shire of Derby / West Kimberley

(West Kimberley Road District in 1884)



119,842 km²

Total Area



7,075

Total Population

1,963

Number of Rateable Properties



\$9.4M

Rates Revenue 2022/23



\$28.1M

Total Revenue 2022/23



\$351M

Total Assets 2022/23



Dogs and Cats Registered

**Cats 56
Dogs 520**



Books Loaned or Renewed

3,641



Total Waste Recycled
8,000 Tonnes



10,400 Tonnes

Waste Diverted



2,872.01 kms

Total Length of Roads



4632

Flights into our Derby Airports

3552

Flights into our Fitzroy Crossing Airports



492

Vessel Attendances to our Derby Port:

President and Chief Executive Officers' Report



The community and the Shire have both needed to endure the unprecedented weather event in the form of the Kimberley Floods, dumping more rain in the catchment areas of the Fitzroy River than anyone can remember, and causing more flood damage than has ever been recorded.

The impact was devastating on many in our communities, particularly the Fitzroy Crossing and Camballin areas of our Shire, with many houses destroyed and a great deal of property lost to the floods. The Shire itself was also severely disrupted and it needed to change priorities, change its operations, and change its focus to ensure the response and recovery operations were undertaken. The CEO's time for the latter half of the financial year for example, has almost entirely refocused on flood response and recovery, resulting in other employees needing to also modify their roles and functions to support those efforts.

The consequential impacts of COVID-19, like higher prices, slower delivery of many of the products we use, and the shortage of staff members are also still with us today and continuing to impact us during 2022/23. For example, lawn mowers for parks and gardens are taking about two years to arrive, and motor vehicles not much less.

These are all challenges that the Shire has needed to manage over the 12-month reporting period so even with this catastrophic flood and COVID-19 playing out, the Shire's Strategic Plan continues to guide the organisation and the services we provide,

and we have still managed to continue, and even in some instances, improve our service levels. For example, our internal goal of improving efficiencies and service levels through the recording of processes and procedures continued, and we will make further gains in 2023/24.

We also continue to work together with our neighbouring local governments through the work of the Kimberley Regional Group (KRG), with enhanced community safety and an emphasis on growth through economic development being two priorities.

The Presidents of the KRG remain united and continue their lobbying of our state and federal politicians for a 'better deal' for all of our Kimberley residents. The Presidents continue to impress upon our federal politicians, the unique challenges being faced by Kimberley communities and we have successfully encouraged federal politicians to visit the Kimberley over the 2022/23 financial year. We can only hope that they honour their words of support and we see the Kimberley receive its fair share of support from our state and federal governments. It is simply not possible for the Shire on its own, to service all of the community's needs from its own limited resource raising capacities.

Economic development continues to be part of the foundation of maintaining the district's financial wellbeing. It provides local jobs, and enables local businesses to contribute to the community. We outlined last year of our hopes for Kimberley Mineral Sands' lease (KMS) and its use of the Derby Port. The eventual outcome was not our preference, with Broome being the preferred port, but there is still a good chance that we will benefit from the Thunderbird mine through local employment generation and local business opportunities. KMS to its credit, continues to honour its commitment to fund additional lease payments negotiated and if that changes, it will likely be the Foreign Investment Review Board that causes that change, not KMS itself.

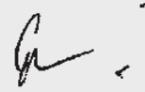
Our achievements and successes are only possible by building and working collaboratively with our partners.

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.

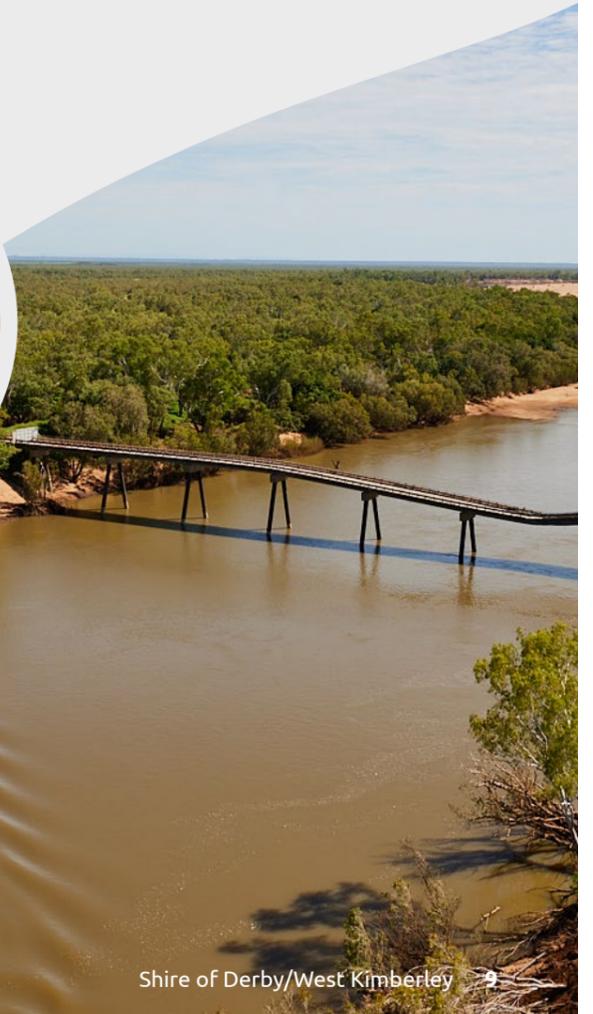
We would also like to acknowledge and thank our Council Members and staff for all they have achieved this year, and particularly as those achievements that were made during an incredibly disruptive period. Notwithstanding the challenges put in our way, there is a great deal to be positive about and the resilience shown by all has demonstrated what

can be done when we work cooperatively together 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 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



Elected Members



Cr Geoff Haerewa
President

Term Expires 2025

Committees, advisory groups, working groups and external bodies

- Audit Committee
- CEO Recruitment and Performance Review Committee
- Commercial 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
- Commercial 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
- Shire of Derby/West Kimberley Recovery Committee



Cr Rowena Mouda
Councillor

Term Expires 2023

Committees, advisory groups, working groups and external bodies

- CEO Recruitment and Performance Review committee

Councillors



Cr Pat Riley
Councillor

Term Expires 2023

Committees, advisory groups, working groups and external bodies

- Audit Committee
- CEO Recruitment and Performance Review committee



Cr Linda Evans
Councillor

Retired 26 June 2023

On 10 July 2023 the Electoral Commission approved the Shire's request for permission of the vacancy to remain unfilled until the next ordinary election on 21 October 2023. Approval was given under section 4.17(2) of the Local Government Act 1995 to defer filling this vacancy.

Committees, advisory groups, working groups and external bodies:

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



Cr Andrew Twaddle
Councillor

Term Expires 2025

Committees, advisory groups, working groups and external bodies

- Audit Committee
- CEO Recruitment and Performance Review committee
- Commercial 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)



Elected Members Attendance at Council Meetings

Elected Members attended the following Ordinary and Special Council Meetings Council meetings during the 2022/23 year:

| Councillor | 28 | 25 | 29 | 13 | 27 | 24 | 8 | 23 | 30 | 27 | 25 | 29 |
|-------------|--------|--------|--------|------|------|------|------|------|------|------|------|----------|
| | Jul | Aug | Sep | Oct | Oct | Nov | Dec | Feb | Mar | Apr | May | Jun |
| | 2022 | 2022 | 2022 | 2022 | 2022 | 2022 | 2022 | 2023 | 2023 | 2023 | 2023 | 2023 |
| | OCM | OCM | OCM | OCM | OCM | OCM | OCM | OCM | OCM | OCM | OCM | OCM |
| G Haerewa | ✓ ☎ | LOA | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| P McCumstie | LOA | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ☎ | ✓ | ✓ | ✓ | ✓ |
| K Bedford | ✓ ☎ | LOA | LOA | LOA | LOA | LOA | ✓ | ☎ | A | LOA | ✓ | A |
| R Mouda | ✓ | ✓ | A | ✓ | ☎ | LOA | ✓ | LOA | LOA | LOA | ✓ | A |
| P Riley | A | ✓ ☎ | A | ✓ | A | ✓ | ✓ | ✓ | ✓ | LOA | LOA | LOA |
| P White | ✓ | LOA | LOA | A | ✓ | ✓ | ✓ | A | ✓ | ✓ | ✓ | ✓ |
| A Twaddle | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| G Davis | ✓ ☎ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| L Evans | A | ✓ | ✓ ☎ | A | LOA | Resigned |

The 2022/23 Year in Review

Community

- Derby and Fitzroy Crossing Expos
- School Holiday Programs
- Youth Services
- Library Services
- Heritage
- Kimberley Art and Photographic Award
- Citizen of the Year Awards
- Community Grants and Sponsorships
- Aquatic and Recreation
- Disability Access and Inclusion

Environment

- Derby Airport
- Fitzroy Crossing Airport
- Derby Wharf
- Transport and Safe Infrastructure
- Town Planning
- Environmental Health
- Aboriginal Environmental Health Unit (AEHU)
- Building Services
- Waste Management
- Ranger Services

Economy

- Tourism
- Fitzroy Crossing Visitor Centre
- Annual Budget

Leadership and Governance

- Records Management
- Governance and Compliance
- Council Meetings
- Procurement Compliance
- State and Federal Government Legislation
- Corporate Compliance Calendar Initiative
- Delegations and Policies
- Cyber Security
- Community and Commercial Land Arrangements
- 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

Shire Staff



Amanda Dexter
Chief Executive Officer



Neil Hartley
Director, Strategic Business



Wayne Neate
Director, Technical and Development Services



Christie Mildenhall
Acting Director, Community Services



Tamara Clarkson
Acting Director, Corporate Services

Community

Alcohol Harm Minimisation

This year the Shire continued to facilitate the Derby/West Kimberley Liquor Accord. Consisting of liquor licensees, relevant government departments and the Shire, it was a challenging year for the Accord, particularly as it considered liquor restriction levels in the immediate aftermath of the Kimberley Floods. Community safety, community expectations and the availability of stock proved to be a tricky juggling act.

During the year, the Shire provided feedback into consultations around proposed amendments to the Banned Drinkers' Register (BDR) and advocated for improvements to be made to ensure the BDR was achieving the desired outcomes. These changes are expected to come into effect in late 2023.

As part of the Kimberley Zone, the Shire continued to advocate for the standardisation of liquor restrictions across the Kimberley, rather than the town-dependent ones which currently exist.

Aquatics and Recreation

The Derby Memorial Swimming Pool had a number of upgrades throughout the year to address maintenance and safety concerns at the ageing pool. Works included the repainting and re-grouting of the two-pool bowls and surrounds; the removal of non-compliant diving blocks; repair and replacement of piping; replacement of lane ropes; remediation works to metal structures around the facility; replacement of shade cover; installation of a new pool pump and upgrades to the chlorine gas system and chemical storage areas to ensure legislative compliance. A new pool hoist – which includes a platform, sling and wheelchair were also installed to improve the pools accessibility.

Unfortunately, the administration and first aid building at Fitzroy Crossing Swimming Pool suffered damage as a result of an arson incident. This meant the pool was closed for a period of time while structural assessments were undertaken. The pool was able to reopen late in the wet season, once a temporary first aid room was installed. Works commenced on refurbishing the building in June.

Throughout the year a number of new programs were introduced in the aquatics and recreation area. These included an adult swim squad; 'dive-in' movies and pool discos; junior soccer program;

regular youth nights and the new community sporting organisation capacity building project which will be delivered over the next three years thanks to funding from the Department of Local Government, Sport and Cultural Industries. We also continued with Dash and Splash events; swimming lessons; bronze medallion training and aqua aerobics; as well as providing facilities for the various sporting activities across the towns.

Australia Day Events

Every year the Shire recognises the contribution of community members through the Auspire Community Citizen of the Year Awards which are presented at the Australia Day breakfast.

The 2023 recipients were:

- Citizen of the Year - Anthony Collard
- Citizen of the Year (Youth) - Paris Millar
- Citizen of the Year (Senior) - Vivienne Welch
- Active Citizen (Group or Event) of the Year - CWA Soup Kitchen

This year's events were supported with funding from the National Australia Day Council. For the first time, the Derby Memorial Swimming Pool hosted an Australia Day Community Pool Party, which was attended by around 200 people. The event featured food, giveaways and the ever-popular pool inflatable.

Community Grants and Sponsorship

The Shire's Community Funding Scheme provides small grants to community-based organisations to run events and projects in the community which meet the priorities of the community as identified in the Strategic Community Plan. This year the Shire supported 13 events and projects to the value of \$46,000.

In the wake of the Kimberley Floods, a small grants program was implemented to assist community organisations to purchase equipment and supplies to assist them undertake urgent works post floods. There were six grants awarded totalling \$9,000.

Derby and Fitzroy Crossing Expos

Despite the heat, the Derby and Fitzroy Crossing Expos were again well attended, with around 45 stalls participating and 320 people coming through



the doors. Lots of interactive exhibitions, food and music were on show.

Disability Access and Inclusion Report

The Shire is committed to progressing our Disability Access and Inclusion Plan (DAIP), and throughout the year, continued to deliver strategies identified in the DAIP which seeks to improve accessibility and inclusivity in our community.

Of particular note were events held in Derby and Fitzroy Crossing to acknowledge the International Day of People with Disability. In Derby the Shire supported Far North Community Services in the delivering of an event at the Derby Airport which attracted over 230 community members and service providers from across the Kimberley. The Shire also extended our advocacy by hosting the first International Day of People with Disability event in Fitzroy Crossing. Both events saw community members engaging with activities, accessing services and information, and enjoying a vibrant social setting for the day.

Other achievements for the year include:

- Installation of an access hoist for the Derby Memorial Swimming Pool;
- Staff training to increase awareness of disability and improve engagement by front line staff; and
- Working with disability advocacy groups to enhance community engagement and consultation practices.

Environmental and Sustainability Projects

In partnership with the Keep Australia Beautiful Council WA (KABC), the Shire of Derby/West Kimberley proudly celebrated Keep Australia Beautiful Week by hosting a successful Community Clean-Up event at the Derby Port and at the Fitzroy Crossing Recreation Precinct. In efforts from community organisations and individuals, we were able to collect over 100kg of litter in Derby, as well as additional collection of Containers for Change eligible products which were donated to community groups.

Another key achievement, in partnership with the KABC, has been the introduction of the Adopt-a-Spot litter prevention program. The Shire has actively promoted the initiatives and has supported a number of community groups with registering and launching their projects.

This year the Shire continued to partner with the Derby Landcare Group to support positive contributions towards the environment, demonstrating our commitment to fostering sustainability. Through this alliance, collaborative efforts have been made to increase awareness and improve management of cane toads within Derby and the surrounding communities. With support from Mount Gibson Iron, the Shire has been able to secure and make a number of cane toad traps accessible to community members. These traps have been well received and play a key part in building the communities understanding of the importance of cane toad management.



Fitzroy Crossing Flood Recovery

The Kimberley Floods, triggered by the tropical low, caused significant damage and had far-reaching effects on the region. The flooding resulted in widespread destruction of infrastructure, including roads, bridges, and buildings, particularly in low-lying areas. Homes and businesses were inundated, leading to property damage and loss of livelihoods for many residents. Agricultural land and livestock were also affected, impacting the region's economy.

The floods had profound effects across the Shire on its local communities, causing displacement, emotional distress, and disruption of daily life.

The response efforts focused on addressing immediate needs, ensuring the safety and welfare of residents, and laying the groundwork for long-term recovery. Community resilience and solidarity played a crucial role as people rallied together to support one another during this challenging period. The response also highlighted the importance of preparedness and coordination among government agencies, emergency services, and community organisations in managing natural disasters.

The Shire collaborated closely with state emergency management agencies, including the Department of Fire and Emergency Services (DFES), to ensure a coordinated and effective response. We also engaged with volunteer groups, community organisations, and neighbouring local governments to pool resources and expertise. This collaborative approach was essential in addressing the multifaceted challenges posed by the flooding, including supply chain disruptions, potential public health risks and the challenging Kimberley environment.

Under the Emergency Management Act 2005, local governments are responsible for leading recovery. In early February, the Shire established the Local Recovery Coordination Group to coordinate local recovery efforts and connect community and not-for-profit organisations. The Shire also established the Recovery Hub in Fitzroy Crossing to provide a 'one-stop-shop' for impacted people and businesses to access support services. Agencies working together in the Hub are DFES, the Department of Communities (DoC), National Emergency Management Agency (NEMA), Legal Aid and SDWK community recovery officers.

The Fitzroy Crossing Flood Hub is a resource centre designed to provide support and assistance to individuals, families, and communities affected by the flood. More specifically the flood hub represents the following:

- Centralised information and resources centre
- Coordination of resources
- Immediate assistance
- Assessment and referral
- Community support
- Access to recovery assistance programs
- Resilience building
- Community engagement and advocacy.

Each week, Flood Hub community recovery officers provide a pop-up Flood Hub outreach service throughout a number of communities impacted by the floods. Outreach activities are an opportunity to ensure community engagement with those who are unable to attend the Flood Hub, providing recovery support, information of services and advocacy.

SDWK recovery support activities and advocacy coordinated through the Local Recovery Coordinator:

- Clean-up and waste removal activities completed throughout 11 communities
- Recovery activities undertaken at private residential properties and Department of Communities properties across Fitzroy Crossing and Camballin which has included:
 - Building condition and Structural Engineer reporting
 - Clean-up and waste removal
 - Septic jet wash and removal of waste
 - Silt and dirt build up removal
 - Electrical infrastructure repairs and re-establishment of power for residents
 - Demolishment of five residential properties (Camballin)
- Coordination and community engagement to maximise DoC's Journey Home planning activities
- Advocate for residents undergoing refurbishment and rebuild activities through engaging representative and a board member of Master Builders WA to attend the region
- Advocate and coordinate social and emotional wellbeing services through community outreach and referrals
- In consultation with DFES, undertake wet season preparedness planning, community consultation and planning to provide resilience, resources and community-led discussions to address their needs and emerging issues.

Heritage

This year a number of heritage sites within the Shire received a temporary makeover to support the production of Population 11, a TV production for STAN. This included the Wharfinger House Museum and the Jetty Woolshed. Negotiations were undertaken with the Heritage Council of Western Australia to enable the temporary modifications to the heritage sites as part of the makeover. Production of the series was successfully completed and the sites were returned to their original condition, and reopened to the public.

Other heritage related activities have included a condition assessment and report for the Wharfinger House museum to help to understand the maintenance and preservation requirements for the place, and to enable the prioritisation of maintenance tasks.



Kimberley Art and Photographic Prize

In July, Derby Airport hosted the 51st Kimberley Art and Photographic Prize (KAPP) exhibition.

The awards, this year curated by Derby resident Denis Jokovich, featured 144 art pieces and 77 photographs which were entered in one of the 13 categories.

Judges Sharyn Egan, Simon Gilby and Chrissy Carter awarded the year's overall Kimberley Art Prize to Michael MacRae, a teacher from Fitzroy Crossing, for his piece 'To Your Scattered Bodies Go'. Michael's piece was an interpretation of the splendour of the five languages groups from Fitzroy Crossing. The Kimberley Photographic winner went to Phillip McKenzie, for his piece, 'The Red Road', that portrays the beauty of the Kimberley roads.

As an acquisitional competition, these two pieces have been added to the Shire's art collection.

Throughout the two-week exhibition a number of special events were held, including a VIP cocktail party for artists and sponsors; an artist-in-residence workshop with Roxanne Anderson; Parents and Bubs' morning tea, and a Senior's morning tea.

We would like to acknowledge and thank all our sponsors for their ongoing support of the KAPP.

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 – although Fitzroy Crossing Library has been running at a significantly reduced capacity as a result of the floods and damage caused by the Kimberley Floods.

The libraries serve as a hub for community engagement hosting children's and infant's

programs, including rhyme-time story-time, chess, art and craft and Lego sessions. 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.

During the year, the Shire was able to bring a live performance (Snowy and the Seven Cool Dudes) by JALLY Entertainment, to both Derby and Fitzroy school kids and community members with both performances having roughly 120 attendees.

Thanks to funding from the National Children's Book Council Book Week, the Shire was able to deliver a regional tour by children's author Sally Murphy. Sally visited schools including, Derby District High School, Holy Rosary School, Kimberley School of the Air, Fitzroy Valley District High School and Looma, Bayulu, Muludja and Wangkatjungka Remote Community Schools.

Sculptures on the Marsh

The Shire continued to implement further phases of the Sculptures on the Marsh project throughout the 2022/2023 financial year, following the awarding of a generous grant in April 2022 from the Build Better Region Fund.

The objective was to install four sculptures that would not only beautify the marsh area, but also serve as symbols of creativity and unity.

Situated on the north side of the marsh, the 'Brolgas' was installed in August 2022, a stunning addition to the public art collection in the Shire. Designed by local artist Mark Norval, this sculpture captures the elegance and grace of the iconic Australian bird, the Brolga. Standing tall and majestic, the sculpture has become instantly popular with locals and visitors alike.

On the south side of the marsh, the 'Family' sculpture was unveiled in June 2023. Also designed by Mark Norval, this sculpture depicts a family unit, symbolizing the strength and unity that characterise the local community.

The Shire is eagerly anticipating the completion of the remaining two installations over the next year.

Volunteering

Volunteering continues to play a crucial role in our communities, often with little recognition. To mark International Volunteer Day on 5 December, the Shire hosted a Thank-a-Volunteer Day in Derby and Fitzroy Crossing. Volunteers from organisations across the Shire who generously donate their time, were treated to a scrumptious meal to share stories of their experiences volunteering and to thank them for their contributions. This event was supported with funding from Volunteering WA.

Planning Scheme Review

The Shire continued to deliver a range of youth activities and programs in Derby and Fitzroy Crossing. The drop-in programs focus on providing 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 aims to promote personal development, social inclusion and the overall well-being of the youth in the community. 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.

The youth teams in both towns provided pivotal roles in the flood recovery, particularly in Fitzroy Crossing where staff came back from leave early, to ensure young people staying at the evacuation centre had activities to keep them entertained while they were unable to go home. Both programs experienced an influx of new participants as people were displaced from their homes and staying in temporary accommodation in town.

During the year we were fortunate to secure three years of funding from Rio Tinto as a contribution towards the employment of a Youth Services Coordinator to oversee the youth programs in Derby and Fitzroy Crossing, along with providing strategic advice on youth related issues across the Shire.

Environment

Aboriginal Environmental Health Unit (AEHU)

The Shire's Aboriginal Environmental Health Unit (AEHU) consists of a Coordinator, Senior Officer and three trainees. The trainees are currently completing a Certificate II in Indigenous Environment Health.

The AEHU team is regularly involved in education programs, mosquito management, personal health and hygiene, housing hygiene, domestic animal health, animal de-sexing programs, housing audits, clinical referrals, safe bathroom inspections, quarterly housing inspections and attending various events throughout the year.

The AEHU services the following communities: Looma, New Looma, Mowanjum, Pandanus Park, Karmulinunga, Burrinunga, Djimungnud, Budalah, Kupungarri, Imintji, Jalmadangah, Djimung Nguda, Budulah, Tirralintji, Ngallagunda and Dodnun.

This year the team was heavily involved in the Kimberley flood recovery after the floodwaters passed through the region causing extensive damage to roads, bridges, infrastructure and housing. A large number of community houses were affected and the team assisted with various tasks in what was a particularly busy period (with many of the tasks falling outside the team's usual scope of work).

The AEHU were successful in seeking grant funding administered by the Department of Primary Industries and Regional Development (DPIRD) through its Animal Welfare Grant Program. The grant of \$32,031 will enable the AEHU to carry out a de-sexing program over a 12-month period.

The program offers free de-sexing of animals, preventative health care, and veterinary attention to animals in the Shire's remote Aboriginal communities.

The AEHU team were 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. The team also continues to assist community members to control the ectoparasite (tick) in domestic animals by supplying appropriate treatments.

The team was represented at the Kimberley and Pilbara Environmental Health Forum held in Broome in 2023, with a presentation highlighting the Shire's multifaceted approach to environmental health within communities.

Derby Airport

Operations of Derby Airport continue and the Shire has continued to be focused on minimising the airport's financial losses, whilst maintaining its operational capacity. There is work still to be done with asset management improvements, like the entrance road, but from a financial perspective, annual losses have continued to be reduced year on year for the last few years, to the point where further reductions will now rely largely on the district's ability to attract new and additional business, rather than further reducing costs or increasing user charges.

Fitzroy Crossing Airport

Operations were anything but normal for 2022/23, primarily due to the Kimberley Floods recovery activities. Defence Force activities were prioritised and hundreds of helicopter and response aircraft landings occurred in January and February 2023 (including flights at Derby Airport). From a financial perspective, as these aircraft pay landing fees, for probably the first time ever, the Fitzroy Crossing Airport operated in surplus over that two-month period.

The \$3,000,000 refurbishment scheduled for 2023 was deferred and rescheduled for 2024, due to the flood event and its impacts on the availability of civic contractors and sourcing materials, and bridge access to the temporary airstrip north of Fitzroy Crossing townsite.

Building Services

The Shire continued to have a decline in building application approvals on the previous year. It is important to note however, the approval levels in the previous year included an influx of solar panel applications as the result of Government subsidised renewable energy incentives. Building permits issued for the financial year 21/22 totalled 79, with permits issued for the financial year 22/23 being 39.

Development applications marginally declined also, on the previous year's activity, with the financial year 21/22 having 20 development approvals issued and for financial year 22/23 being 11. The Shire is still, when compared to many other metropolitan and regional local governments, having low building application numbers.

Enquiry levels have increased both in the Building and Development space and it is expected that formal applications will increase in the next years reporting period.

The process of issuing a Certificate of Design Compliance for uncertified building permit applications, continued with a contract

arrangement with external building practitioners, to ensure statutory timeframes for processing were met.

A Memorandum of Understanding was established with the Town of Victoria Park to provide advice on building enquires, when required.

A plan is currently underway to train additional staff to perform the administrative functions both internally and of the building surveyor, along with a review of the current administrative process in place. In addition, Project Officers have been appointed to follow through with legislative compliance for the numerous illegal and derelict buildings within the Shire.

Environmental Health

During the 2022/23 reporting period, the Shire's Environmental Health Officer (EHO) experienced challenges in ensuring community health and safety, primarily due to the impact of the Kimberley Floods which created widespread flooding and damage of property in January 2023 which affected multiple communities and their people. This report highlights the EHO's work and the new challenges faced this year.

Environmental Health

The Kimberley Floods created significant environmental and public health challenges, which included:

- Contamination of water sources, which necessitated more frequent water sampling;
- An increase in the mosquito population due to stagnant water, heightening the potential for the spread of mosquito-borne diseases;
- Floodwaters potentially compromising the safety of food premises, caravan parks and camping grounds; and
- Difficulty accessing remote locations, particularly Fitzroy Crossing and Gibb River, due to damaged roads and infrastructure.

Response to the Flooding

- The EHO increased the frequency of water sampling to ensure the potability of water;
- Intensified mosquito and arbovirus surveillance efforts were carried out, including enhancing the sentinel chicken program;
- Specialised inspections were conducted to assess the flood impact on food premises, caravan parks, camping grounds and public buildings; and
- The Shire coordinated with other departments to address road and infrastructure damages, ensuring that remote communities were not isolated and received necessary health services.

Core Functions

Food premise inspections were maintained despite the challenging weather conditions and remote Aboriginal community stores were carried out with increased support from external teams.

Wastewater Installations

The flooding impacted the wastewater installations:

- An increase in the number of onsite wastewater system applications was observed; and
- A total of 34 of the existing wastewater systems were affected by the floodwaters, necessitating repairs, pump outs or replacements.

Public Health Education and Awareness

- The Shire escalated its public health education efforts, especially regarding the risks posed by floodwaters, contaminated water sources, and disease vectors; and
- The use of social media as a communication tool increased providing real-time updates to the community about flood-impacted areas and health precautions.

Ranger Services

Towards the end of the year, the Rangers launched their 'Look After Your Mate, Shut the Gate', promotion which will run into future years to educate against allowing dogs to wander the streets.

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.

The most common jobs we do revolve around impounded dogs and cats.

Town Planning

The Shire continued to use a planning consultant; and there was a noted increase in enquiries regarding communities affected by the floods from relevant agencies, which are being separately captured for Disaster Recovery Financial Assistance claims.

The number of Development Applications received and completed in 2022/23 was 10, with value of work proposed to be to \$5,763,000.

Planning Scheme Review

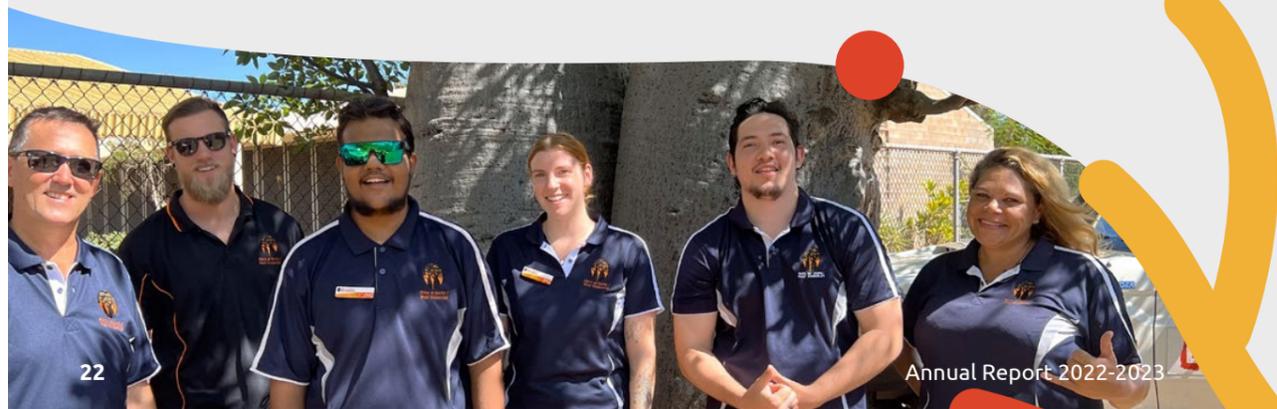
The Planning and Development Act 2005 requires that local planning schemes be reviewed periodically. A new Local Planning Scheme will be the statutory document that controls the use and development of land within the whole of the Shire of Derby/West Kimberley.

Council previously resolved to prepare a new Local Planning Scheme (LPS No. 9) to supersede both LPS No.5, No.7 and Interim Development Order No. 9 and which will continue to be progressed. LPS9 was advertised in May 2023 and a report on the submissions received will be considered by Council later in 2023-24.

Transport and Safe Infrastructure

The department continued to deliver its normal service in the towns of Fitzroy Crossing, Camballin and Derby in regards to verge management, parks and gardens and patching etc. It also delivered its continued maintenance program across the Shire with all of the roads being serviced by Council's appointed contractor.

The majority of the capital program was completed in the first half of the financial year with the flooding in January 2023 significantly impacting on the delivery of the program. The Shire employed every available resource to ensure all of our roads were opened as early as possible to ensure a



'business as usual operation' where feasible. This meant that Main Roads Western Australia crew were employed to open some of the Shire roads to ensure tourism access was not hindered.

The highlights of the capital program are listed below:

- Damage as the result of AGRN 907 was completed;
- The majority of AGRN951 works were completed prior to the end of June;
- Event AGRN1044 occurred in the middle of the reporting year, with most opening up works completed, and eight roads fully reinstated from the event prior to the end of June;
- Fitzroy street reconstruction complete - \$418,597;
- Partial reconstruction of sections and full re-sealing of Clarendon St complete - \$459,360;
- Derby reseal program was completed in the early part of the financial year - \$641,412;
- Fitzroy Crossing Visitor Centre carpark was reconstructed and completed - \$790,026;
- Lighting and other infrastructure such as the rotunda at the Fitzroy Crossing Visitor Centre carpark were also completed;
- Various sections of Emanuel Way were asphalted to minimise ongoing maintenance due to additional truck movements - \$353,241;
- Yurabi Road Formation and bitumen repairs were completed - \$339,099 (please note these works were then significantly impacted by the floods and the subsequent detour operation);
- Re-sheeting and drainage improvements on Camballin road complete - \$506,010;
- Re-sheeting and drainage works on Calwynyardah-Noonkanbah road completed - \$750,020; and
- Works were carried out on Silent Grove, Lennard Gorge and Bell Creek roads at a value of \$362,000.

Derby Port

Operations continued as normal and include sizeable volumes of goods moving through the port, including for example, some 22,000,000 litres of fuel.

The lease management responsibilities saw the transferal in full from the WA Department of Transport to the Kimberley Ports Authority (KPA). With this change of management, the Shire is now being required to meet several of its historic lease obligations, which has increased the staff time in the management of the port. KPA undertook some major repair work to the northern abutment with some funding for the project supplied by the Shire, and Horizon Power commenced the replacement of the old electricity supply line to the port, including the provision of new lights along Jetty Road (which will be completed in 2023/24).



The first additional payment negotiated as part of the Kimberley Mineral Sands lease was paid in 2022/23. That payment of \$1,000,000 was made conditionally, so is subject to the federal government's Foreign Investment Review Board approving KMS's application for its foreign business' partnership arrangements.

Economy

Annual Budget

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

The 2022/23 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;
- Activity is starting to return to normal following the impacts of COVID-19;
- Community expectations on the Shire's capacity to continuously provide or contribute significantly to community and sporting infrastructure; and
- The ratepayer and residents' lack of ability to and/or propensity to want to pay for the use of facilities or to attend events.

The budget is fiscally responsible and 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 include:

- Endeavouring to transition back following the setbacks to revenue and expenditure arising from COVID-19;
- 3.8% increase in GRV and 9.2% increase in UV rates;
- 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; and
- 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 2022/23 was \$28.8M

Employee wage costs for permanent and casual employees was \$10.2M

118 employees at 30 June 2023

Rates and charges comprised \$14.1M of the total income received

Council's total grant funding for 2022/23 was \$23.2M

A \$10.5M capital works program was delivered

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

Human Resources

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. In an effort to ensure the best possible value for money outcome for the community, the People and Culture Team have been focused on retention and have implemented a number of strategies to improve the Shires employment turn over.

Road transport infrastructure remained a feature of the budget with \$21 million allocated for various road construction, drainage and other infrastructure.



Tourism

Derby Visitor Centre

The Derby Visitor Centre continued to service tourists and locals with bookings and information relating to Kimberley adventures.

The closure of the centre for the wet season/Christmas period, and the impact of the devastating Kimberley Floods, impacted numbers early into the new year.

The Visitor Centre reopened in time for the 2023 tourist season and was supported by our amazing Shire staff.

The staff at the Visitor Centre continued to provide excellent, current and relevant information to tourists and the wider community.

Although heavily impacted by the Kimberley Floods, the tourist numbers continued to increase through 2023 and a high number of visitors frequented the centre to purchase souvenirs, travel maps and have a yarn with our local team.

Fitzroy Crossing Visitor Centre

The Fitzroy Crossing Visitor Centre provides assistance in local government services, providing resources and support to all residents across the Fitzroy Valley. The team additionally provides access to Department of Transport services for the community where travel to major regional locations is difficult. The Visitor Centre continues to excel in its role as the prime source of comprehensive guidance for tourists. Offering tailored information and local expertise, the centre serves as a pivotal resource, ensuring visitors enjoy a memorable and informed experience within the region.



In early 2023, Fitzroy Crossing was impacted by the Kimberley Floods, this saw a significant impact to the community, infrastructure and tourism. The library service located within the Visitor Centre, was transformed into a vital Flood Hub Centre, a place where community members were able to access a number of services to assist them through their recovery journey. While the natural event affected tourism numbers, the establishment of the Flood Hub within the Visitor Centre served as a focal point for various local, state, and federal government agencies. These agencies, led by the Shire of Derby/West Kimberley, collaborated to enhance community engagement, providing a spectrum of essential services including social and emotional wellbeing support, accommodation assistance and funding resources.

Leadership and Governance

Community and Commercial Operations

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 highest priority sections of this airstrip, but this work was deferred due to the flooding that occurred in the area. An updated "post-flood" grant application has been lodged with the view to securing sufficient funds to fully refurbish the airstrip and elevate it to make it future flood-proof. If we can secure the additional funds, it 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 2022/23 saw a renegotiation with Kimberley Mineral Sands (KMS) and its lease finalised, inclusive of an agreement for the position where we would receive port contributions even if KMS does not use the Derby Port. KMS has in fact chosen to export from the Broome Port for its Thunderbird Mine, but there is still the chance that any additional KMS mines might export from Derby. The company MPA Fish Farms, which leased part of the jetty for its barramundi farm operations, was sold to Tassal. The Shire is in negotiations with Tassal to maintain the lease.

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. Discussions are ongoing.

The Shire has numerous leases it manages, including housing, port, airport (ground and terminal) and community group facilities. A number of these expired and were renegotiated during the 2022/23-year period.

A submission was lodged with the WA Grants Commission, arguing that the Shire deserved a higher level of grant funding than it currently receives. Whilst the Commission's decision did not favour the Shire, ongoing discussions are occurring with the Grants Commission on how it might be able to assist the Shire's finances into the future.

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. So far, we have almost 100 processes underway or completed, with consistent and continuous progress being made.

Corporate Compliance Calendar and Process Mapping

The compliance calendar system (which acts as a governance reminder system and retains corporate knowledge) continued during 2022/23. Work has also continued on the mapping of processes, which will allow the Shire's operational processes to be refined and recorded, and for these processes to be stored digitally for long term use by Shire staff. A dedicated software package, called Promapp, has been procured and the development of the many Shire processes are progressively being written up. It will take a couple of years to complete this process mapping task, but once it is, it will standardise procedures, improve staff efficiency, improve consistency of actions, and reduce the loss of corporate knowledge when staff unfortunately leave our workplace.

Council Meetings

To improve community access to council meetings and provide a more efficient meeting process for Council Members that attend meetings remotely, a new audio/visual system was installed into the Derby Council Chamber and also into a meeting room in the Fitzroy Crossing Administration Centre. The system provides for improved audio for those attending and TV screens enable them to see any



other Council Members attending remotely, as well as the minutes being prepared as the meeting progresses. The goal is to enable Fitzroy Crossing community members to 'digitally attend' council meetings through similar technology installed at the Fitzroy Crossing Administration Centre.

Customer Service

The Shire of Derby/West Kimberley administration office continues to provide local government services to our community residents. The team assist with all Shire-related queries and provide information on a broad range of services.

The Customer Service Team also provide the invaluable Department of Transport services four days a week and transact Greyhound bookings on behalf of our community.

The Customer Service Charter guides the team in providing excellent customer service to all.

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 and it is a high priority for our IT teams to keep up-to-date on.

Delegations and Policies

Following the 2021 entire Shire-policy manual review, the policies have progressed through their annual reviews, where approximately half of the policies were again reviewed and reconfirmed, ensuring they have remained current and relevant. During the year, additional policies are considered and existing ones reviewed on an 'as-needed' basis.

Financial Sustainability

Fees and Charges

A review of the Shire's entire schedule of fees and charges occurs annually as part of the budget process. 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 over the longer term a 'full cost recovery' outcome for the Shire if that is considered practical.

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 2022/23 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.

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 were only three areas of non-compliance located by officers (covering three questions out of 94 questions in total). Officers will continue to work towards improved governance standards across the Shire's operations.

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 introduced one new local law, the Parking Local Law 2022, which was gazetted on the 15 February 2023.

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 2022/23 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.

People and Culture

Training

Continuing the strong push for staff development, the Shire emphasises training and development from within. The improved induction process includes essential training from day one, including an online Work Health and Safety module and cultural awareness. Group training in 2022/23 covered local government introduction, Synergy records and financial training, report writing/agendas and minutes, mental health first aid, cpr and first aid training, area warden and fire extinguisher training. Webinar sessions addressed financial security, mental well-being and leadership development.

Recruitment

In the past year, the Shire of Derby/West Kimberley has welcomed a total of 73 new team members, marking a significant stride in workforce expansion since January 2023. The recruitment efforts strategically targeted key areas that historically posed challenges in finding suitable candidates. This targeted approach has not only filled critical gaps but has also fortified the Shire's capabilities in specific hard-to-fill positions.

As of the latest report, the Shire's workforce now comprises 118 dedicated staff members, ensuring comprehensive coverage across nearly all functional areas. This growth in personnel is a testament to the Shire's commitment to building a robust and diverse team to address the unique demands of the community.

The Shire takes pride in achieving an impressive retention rate of 126.03%, showcasing its dedication to retaining talent and fostering a workplace environment that encourages long-term commitment and professional development. This retention rate reflects the Shire's success in creating a workplace culture that values and nurtures its employees, ultimately contributing to the organisation's overall stability and success. In tandem with this expansion, the Shire acknowledges a turnover rate of 39.81%, a metric closely monitored for continuous improvement strategies. However, this turnover rate is not unexpected given the highly transient nature of our community.

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 Range | 2022-2023 |
|--------------------|-----------|
| 130,000 to 139,999 | |
| 140,000 to 149,999 | 4 |
| 150,000 to 159,999 | |
| 160,000 to 169,999 | 2 |
| 170,000 to 179,999 | |
| 180,000 to 189,999 | |
| 190,000 to 199,999 | |
| 200,00 to 209,999 | |
| 210,000 to 219,999 | |
| 220,000 to 229,999 | 1 |
| 230,000 to 239,999 | |
| 240,000 to 249,999 | |
| 250,000 to 259,999 | |

P.R.O.U.D Achievers - Peer Nominated Staff Recognition Awards

The Shire of Derby/West Kimberley launched its PROUD achiever's employee recognition program, which is designed to acknowledge and celebrate employees embodying the core values of the organisation. The program fosters a positive and inclusive work culture, encouraging staff to exemplify the values in their daily work.

PROUD Achievers stands for: (P) Proud of who we are and where we live, (R) Responsible preservation of our environment, (O) Open to business, industry, and community development, (U) Understanding and valuing diverse cultures and knowledge, (D) Demonstrating integrity, transparency, and authenticity.

Nomination Categories:

PROUD Achiever – recognises individuals exceeding expectations, demonstrating dedication and a willingness to take on challenges.

PROUD Team – acknowledges teams consistently going the extra mile and achieving outstanding results.

- Committed to Culture Champion: Celebrates employees actively promoting and embodying organisational values, diversity, and a positive atmosphere.
- Respect and Relationships: Acknowledges individuals excelling in communication, actively listening to colleagues, and fostering empathy.
- Knowledge and Integrity: Recognises employees taking initiative, being proactive in identifying opportunities for improvement, and contributing to a more efficient and innovative workplace.
- Legacy and Community: Appreciates individuals demonstrating exceptional mentorship qualities, offering guidance and support to peers.
- Rising Star Award: Their exceptional talent, dedication, and unwavering commitment to the Shire of Derby/West Kimberley has set them on a trajectory for a brilliant future. As they ascend to new heights, they inspire us all with their potential and promise.
- Boab Impact Leadership Award: This award is presented to an individual who, through their dedication, passion, and contributions, has become a true leader in our organisation and community. This person embodies our values, inspires others, and has made a lasting impact through their long-term commitment and service.

Staff had approximately 10 working days to submit their votes which were received and collated by People and Culture. Over 150 votes were submitted by staff members across the various categories.

The awards were presented at an all staff event where food and drinks were provided and everyone was encouraged to attend.

The response to the P.R.O.U.D Achievers awards was extremely positive and it will be considered as a bi-annual event in the future.

Work Health and Safety

The appointment of a Senior Work Health and Safety Officer demonstrates a commitment to increased awareness of workplace health and safety. The Work Health and Safety Committee, led by the Senior Work Health and Safety Officer, have updated hazard and near-miss reporting forms and

accident and incident forms. New Health and Safety Representatives (HSRs) have been appointed and trained, meeting bi-monthly to discuss all safety areas. The Senior Work Health and Safety Officer is actively working through the organisation's action plan, supplied by LGIS (insurer) after a safety audit, creating a network of colleagues for enhanced safety measures.





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 2022/23 financial year, no disclosures relating to improper conduct were made to the Shire and therefore no disclosures were referred to the Ombudsman.

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.

Register of Gifts

Shire of Derby/West Kimberley requires Elected Members and employees of the Shire 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.

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 2022/23 was to change the future election process for the election of President, from being elected by Council, to being elected by the community, with this change coming into effect for the 2023 elections.

A further change, to commence from 1 January 2025, is to require the Shire to live stream its council meetings. Whilst the Shire already has good quality video and internet capabilities in the Derby Council Chamber (and at Fitzroy Crossing), enhancements are required to that equipment to enable live streaming to occur. Once available, community members will be able to listen to, and see, the council meetings, which are held monthly, with times/dates for those meetings advertised on the Shire’s webpage. There will also be procedures put in place for people to be able submit questions and to hear the answers to them, without them being required to attend in person.

**2023/2024
The Year Ahead**

Plan for the Future

Council is currently implementing its Strategic Community Plan 2021-2031 (SCP); and reviewing associated documents such as the Corporate Business Plan, Asset Management Plan and Workforce Management Plan.

Throughout 2023/24 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:

- Continuing the flood recovery work in Fitzroy Crossing and planning for the refurbishment, replacement or provision of new infrastructure;
- Undertake the refurbishment (including seeking to secure additional funding so as to make Fitzroy Crossing Airstrip flood proof);
- Coordinate road upgrades to Aboriginal communities funded by the Disaster Relief Funding Arrangement and Main Roads WA;
- Continue to maintain the Shire’s road network system, including promptly progressing adverse weather event damage claims through the relevant funding body;
- Undertake Recreational Precinct Master Capital Planning across both Derby and Fitzroy Crossing Communities;
- Construct staff housing in both Derby and Fitzroy Crossing;
- Implement the Derby Port Master Plan;
- Staging another season of the Kimberley Art and Photographic Prize; 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 2023

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

STATEMENT BY CEO

The accompanying financial report of the Shire of Derby/West Kimberley has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

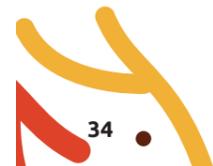
Signed on the _____ day of _____ 2023



Chief Executive Officer

Amanda Dexter

Name of Chief Executive Officer



Shire of Derby/West Kimberley Statement of Comprehensive Income

For the Year Ended 30 June 2023

| NOTE | 2023 Actual | 2023 Budget | 2022 Actual |
|---|---------------------|---------------------|---------------------|
| | \$ | \$ | \$ |
| Revenue | | | |
| Rates | 8,668,941 | 8,588,437 | 7,626,940 |
| Grants, subsidies and contributions | 11,260,515 | 5,565,182 | 9,707,898 |
| Fees and charges | 5,788,836 | 5,003,258 | 4,673,497 |
| Interest revenue | 249,316 | 188,912 | 163,817 |
| Other revenue | 1,271,219 | 694,155 | 757,070 |
| | 27,238,827 | 20,039,944 | 22,929,222 |
| Expenses | | | |
| Employee costs | (10,052,651) | (11,936,453) | (8,412,576) |
| Materials and contracts | (10,342,414) | (10,541,715) | (7,664,294) |
| Utility charges | (823,784) | (911,688) | (839,837) |
| Depreciation | (7,764,982) | (7,131,200) | (7,806,061) |
| Finance costs | (368,364) | (102,989) | (442,451) |
| Insurance | (1,444,271) | (1,342,900) | (1,161,903) |
| Other expenditure | (446,625) | (633,708) | (562,219) |
| | (31,243,091) | (32,600,653) | (26,889,341) |
| | (4,004,264) | (12,560,709) | (3,960,119) |
| Capital grants, subsidies and contributions | 10,217,670 | 19,555,173 | 3,630,762 |
| Profit on asset disposals | 68,800 | 0 | 73,329 |
| Loss on asset disposals | 0 | 0 | (6,505) |
| Loss on revaluation of Other infrastructure- footpaths | (164,984) | 0 | 0 |
| | 10,121,486 | 19,555,173 | 3,697,586 |
| Net result for the period | 6,117,222 | 6,994,464 | (262,533) |
| Other comprehensive income for the period | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Changes in asset revaluation surplus | 16,720,901 | 0 | 519,102 |
| Total other comprehensive income for the period | 16,720,901 | 0 | 519,102 |
| Total comprehensive income for the period | 22,838,123 | 6,994,464 | 256,569 |

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

Shire of Derby/West Kimberley Statement of Financial Position

| NOTE | 2023 | 2022 | |
|--------------------------------------|------|--------------------|--------------------|
| | \$ | \$ | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 10,843,886 | 11,335,343 |
| Trade and other receivables | 5 | 2,207,236 | 2,125,352 |
| Other financial assets | 4(a) | 975,801 | 0 |
| Inventories | 6 | 50,780 | 49,353 |
| Other assets | 7 | 313,412 | 66,535 |
| TOTAL CURRENT ASSETS | | 14,391,115 | 13,576,583 |
| NON-CURRENT ASSETS | | | |
| Trade and other receivables | 5 | 118,798 | 110,862 |
| Property, plant and equipment | 8 | 47,313,725 | 47,165,700 |
| Infrastructure | 9 | 304,315,196 | 285,983,108 |
| TOTAL NON-CURRENT ASSETS | | 351,747,719 | 333,259,670 |
| TOTAL ASSETS | | 366,138,834 | 346,836,253 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 4,993,032 | 7,031,364 |
| Other liabilities | 12 | 1,192,405 | 2,611,951 |
| Borrowings | 13 | 237,288 | 381,779 |
| Employee related provisions | 14 | 963,120 | 691,514 |
| Other provisions | 15 | 56,144 | 130,237 |
| TOTAL CURRENT LIABILITIES | | 7,441,989 | 10,846,845 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 13 | 2,447,455 | 2,684,742 |
| Employee related provisions | 14 | 97,550 | 59,355 |
| Other provisions | 15 | 5,533,378 | 5,464,972 |
| TOTAL NON-CURRENT LIABILITIES | | 8,078,383 | 8,209,069 |
| TOTAL LIABILITIES | | 15,520,372 | 19,055,914 |
| NET ASSETS | | 350,618,462 | 327,780,339 |
| EQUITY | | | |
| Retained surplus | | 66,807,204 | 60,689,982 |
| Reserve accounts | 27 | 975,801 | 975,801 |
| Revaluation surplus | 16 | 282,835,457 | 266,114,556 |
| TOTAL EQUITY | | 350,618,462 | 327,780,339 |

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



Shire of Derby/West Kimberley Statement of Changes in Equity

For the Year Ended 30 June 2023

| | NOTE | RETAINED SURPLUS \$ | RESERVE ACCOUNTS \$ | REVALUATION SURPLUS \$ | TOTAL EQUITY \$ |
|---|------|---------------------------|---------------------------|------------------------------|-----------------------|
| Balance as at 1 July 2021 | | 60,952,515 | 975,801 | 265,595,454 | 327,523,770 |
| Comprehensive income for the period | | | | | |
| Net result for the period | | (262,533) | 0 | 0 | (262,533) |
| Other comprehensive income for the period | 16 | 0 | 0 | 519,102 | 519,102 |
| Total comprehensive income for the period | | (262,533) | 0 | 519,102 | 256,569 |
| Balance as at 30 June 2022 | | 60,689,982 | 975,801 | 266,114,556 | 327,780,339 |
| Comprehensive income for the period | | | | | |
| Net result for the period | | 6,117,222 | 0 | 0 | 6,117,222 |
| Other comprehensive income for the period | 16 | 0 | 0 | 16,720,901 | 16,720,901 |
| Total comprehensive income for the period | | 6,117,222 | 0 | 16,720,901 | 22,838,123 |
| Balance as at 30 June 2023 | | 66,807,204 | 975,801 | 282,835,457 | 350,618,462 |

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

Shire of Derby/West Kimberley Statement of Cash Flows

For the Year Ended 30 June 2023

| NOTE | 2023 Actual \$ | 2022 Actual \$ |
|---|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts | | |
| Rates | 9,152,480 | 7,382,061 |
| Grants, subsidies and contributions | 10,684,509 | 9,658,549 |
| Fees and charges | 5,454,604 | 4,699,436 |
| Interest revenue | 249,316 | 163,817 |
| Goods and services tax received | 2,385,653 | 497,247 |
| Other revenue | 1,271,219 | 757,070 |
| | 29,197,781 | 23,158,180 |
| Payments | | |
| Employee costs | (9,624,967) | (8,355,346) |
| Materials and contracts | (12,744,963) | (3,605,416) |
| Utility charges | (823,784) | (839,837) |
| Finance costs | 720,035 | (238,193) |
| Insurance paid | (1,444,271) | (1,161,903) |
| Goods and services tax paid | (2,269,702) | (629,855) |
| Other expenditure | (267,667) | (442,534) |
| | (26,455,319) | (15,273,084) |
| Net cash provided by operating activities | 17(b) 2,742,462 | 7,885,096 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for purchase of property, plant & equipment | 8(a) (1,438,004) | (1,027,848) |
| Payments for construction of infrastructure | 9(a) (9,389,749) | (9,537,915) |
| Capital grants, subsidies and contributions | 8,838,124 | 5,329,129 |
| Proceeds for financial assets at amortised cost | (975,801) | 0 |
| Proceeds from sale of property, plant & equipment | 113,289 | 121,498 |
| Net cash (used in) investing activities | (2,852,141) | (5,115,136) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of borrowings | 26(a) (381,778) | (368,840) |
| Net cash (used in) financing activities | (381,778) | (368,840) |
| Net increase (decrease) in cash held | (491,457) | 2,401,120 |
| Cash at beginning of year | 11,335,343 | 8,934,223 |
| Cash and cash equivalents at the end of the year | 17(a) 10,843,886 | 11,335,343 |

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



Shire Of Derby/West Kimberley Statement Of Financial Activity

For the Year Ended 30 June 2023

| NOTE | 2023 Actual \$ | 2023 Budget \$ | 2022 Actual \$ |
|--|----------------------|----------------------|----------------------|
| OPERATING ACTIVITIES | | | |
| Revenue from operating activities | | | |
| 24 | 8,238,056 | 8,156,707 | 7,310,305 |
| 24 | 430,885 | 431,730 | 316,635 |
| | 11,260,515 | 5,565,182 | 9,707,898 |
| | 5,788,836 | 5,003,258 | 4,673,497 |
| | 249,316 | 188,912 | 163,817 |
| | 1,271,219 | 694,155 | 757,070 |
| | 68,800 | 0 | 73,329 |
| | 27,307,627 | 20,039,944 | 23,002,551 |
| Expenditure from operating activities | | | |
| | (10,052,651) | (11,936,453) | (8,412,576) |
| | (10,342,414) | (10,541,715) | (7,664,294) |
| | (823,784) | (911,688) | (839,837) |
| | (7,764,982) | (7,131,200) | (7,806,061) |
| | (368,364) | (102,989) | (442,451) |
| | (1,444,271) | (1,342,900) | (1,161,903) |
| | (446,625) | (633,708) | (562,219) |
| | 0 | 0 | (6,505) |
| | (164,984) | 0 | 0 |
| | (31,408,075) | (32,600,653) | (26,895,846) |
| 25(a) | 9,053,917 | 7,131,200 | 7,824,317 |
| Amount attributable to operating activities | 4,953,469 | (5,429,509) | 3,931,022 |
| INVESTING ACTIVITIES | | | |
| Inflows from investing activities | | | |
| | 10,217,670 | 19,555,173 | 3,630,762 |
| | 113,289 | 0 | 121,498 |
| | 10,330,959 | 19,555,173 | 3,752,260 |
| Outflows from investing activities | | | |
| 8(a) | (1,438,004) | (1,772,342) | (1,027,848) |
| 9(a) | (9,389,749) | (21,114,084) | (9,537,915) |
| | (10,827,753) | (22,886,426) | (10,565,763) |
| Amount attributable to investing activities | (496,794) | (3,331,253) | (6,813,503) |
| FINANCING ACTIVITIES | | | |
| Inflows from financing activities | | | |
| 26(a) | 0 | 1,000,000 | 0 |
| 27 | 0 | 474,476 | 0 |
| | 0 | 1,474,476 | 0 |
| Outflows from financing activities | | | |
| 26(a) | (381,778) | (381,779) | (368,840) |
| | (381,778) | (381,779) | (368,840) |
| Amount attributable to financing activities | (381,778) | 1,092,697 | (368,840) |
| MOVEMENT IN SURPLUS OR DEFICIT | | | |
| 25(b) | 2,538,157 | 7,668,065 | 5,789,478 |
| | 4,953,469 | (5,429,509) | 3,931,022 |
| | (496,794) | (3,331,253) | (6,813,503) |
| | (381,778) | 1,092,697 | (368,840) |
| 25(b) | 6,613,054 | 0 | 2,538,157 |

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



Annual Report 2022-2023

Shire of Derby/West Kimberley for the year ended 30 June 2023 index of notes to the Financial Report

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Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

1. BASIS OF PREPARATION

The financial report of the Shire of Derby-West Kimberley which is a Class 2 local government 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 *Local Government Act 1995*, 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 Leases 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.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 of the 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

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
 - AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date
 - AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
 - AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15 Revenue from Contracts with Customers
- These amendments have no material impact on the current annual financial report

New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- This standard will result in a terminology change for significant accounting policies
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

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 |
|---|--|--------------------------------------|--|---|---|
| Grants, subsidies and contributions | 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 |
| Fees and charges - licences, registrations, approvals | Building, planning, development and animal management. | Single point in time | Full payment prior to issue | None | On payment of the licence, registration or approval |
| Fees and charges - airport landing charges | Permission to use facilities and runway | Single point in time | Monthly in arrears | None | On landing/departure event |
| Fees and charges - sale of stock | Kiosk and visitor centre | Single point in time | In full in advance, on 15 day credit | Refund for faulty goods | At point of sale |
| Other revenue - private works | Contracted private works | Single point in time | Monthly in arrears | None | At point of service |

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

Revenue Recognition

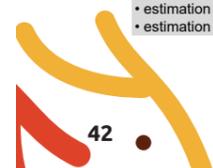
Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2023

| Nature | Contracts with customers | Capital grant/contributions | Statutory Requirements | Other | Total |
|---|--------------------------|-----------------------------|------------------------|-------------------|-------------------|
| Rates | \$ 0 | \$ 0 | \$ 8,668,941 | \$ 0 | \$ 8,668,941 |
| Grants, subsidies and contributions | 1,739,755 | 0 | 0 | 9,520,760 | 11,260,515 |
| Fees and charges | 3,779,935 | 0 | 1,948,894 | 60,007 | 5,788,836 |
| Interest revenue | 0 | 0 | 134,037 | 115,279 | 249,316 |
| Other revenue | 895,047 | 0 | 0 | 376,172 | 1,271,219 |
| Capital grants, subsidies and contributions | 8,832,321 | 1,385,349 | 0 | 0 | 10,217,670 |
| Total | 15,247,058 | 1,385,349 | 10,751,872 | 10,072,218 | 37,456,497 |

For the year ended 30 June 2022

| Nature | Contracts with customers | Capital grant/contributions | Statutory Requirements | Other | Total |
|---|--------------------------|-----------------------------|------------------------|------------------|-------------------|
| Rates | \$ 0 | \$ 0 | \$ 7,626,940 | \$ 0 | \$ 7,626,940 |
| 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 revenue | 0 | 0 | 149,395 | 14,422 | 163,817 |
| Other revenue | 283,459 | 0 | 0 | 473,611 | 757,070 |
| Capital grants, subsidies and contributions | 542,284 | 3,088,478 | 0 | 0 | 3,630,762 |
| Total | 5,460,245 | 3,088,478 | 9,643,790 | 8,367,471 | 26,559,984 |



Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

| Note | 2023 Actual \$ | 2022 Actual \$ |
|--|----------------------|----------------------|
| Interest revenue | | |
| Trade and other receivables overdue interest | 134,037 | 149,395 |
| Other interest revenue | 115,279 | 14,422 |
| | 249,316 | 163,817 |
| The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$178,912. | | |
| Fees and charges relating to rates receivable | | |
| Charges on instalment plan | 11,625 | 10,800 |
| The 2023 original budget estimate in relation to: Charges on instalment plan was \$12,000. | | |
| (b) Expenses | | |
| Auditors remuneration | | |
| - Audit of the Annual Financial Report | 89,832 | 69,000 |
| - Other assurance services – grant acquittals | 9,300 | 2,500 |
| | 99,132 | 71,500 |
| Employee Costs | | |
| Employee benefit costs | 8,219,908 | 6,563,716 |
| Other employee costs | 1,832,743 | 1,848,860 |
| | 10,052,651 | 8,412,576 |
| Finance costs | | |
| Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss | 101,868 | 124,835 |
| Other provisions: unwinding of discount | 266,496 | 317,616 |
| | 368,364 | 442,451 |
| Other expenditure | | |
| Impairment losses on rates and statutory receivables | 334,232 | 30,179 |
| Impairment losses on trade receivables | 178,958 | 6,327 |
| | 513,190 | 36,506 |

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Term deposits | 9,651,481 | 7,747,591 |
| Total cash and cash equivalents | 10,843,886 | 11,335,343 |
| Held as | | |
| - Unrestricted cash and cash equivalents | 9,651,481 | 7,747,591 |
| - Restricted cash and cash equivalents | 1,192,405 | 3,587,752 |
| | 10,843,886 | 11,335,343 |

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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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 reserve accounts, 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.

1. OTHER FINANCIAL ASSETS

a) Current assets

| | 2023 \$ | 2022 \$ |
|---|------------|------------|
| Financial assets at amortised cost | 975,801 | 0 |
| | 975,801 | 0 |
| Other financial assets at amortised cost | | |
| Term deposits | 975,801 | 0 |
| | 975,801 | 0 |
| Held as | | |
| - Restricted other financial assets at amortised cost | 975,801 | 0 |
| | 975,801 | 0 |

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost
The Shire classifies financial assets at amortised cost if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 22 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit or loss
The Shire has elected to classify the following financial assets at fair value through profit or loss:
- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has elected to recognise as fair value gains and losses through profit or loss.

Impairment and risk
Information regarding impairment and exposure to risk can be found at Note 20.

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

5. TRADE AND OTHER RECEIVABLES

| Note | 2023 \$ | 2022 \$ |
|---|------------|------------|
| Current | | |
| Rates and statutory receivables | 1,285,777 | 1,779,222 |
| Trade receivables | 1,323,265 | 966,217 |
| GST receivable | 126,286 | 242,237 |
| Allowance for expected credit losses of rates and statutory receivables | (153,930) | (488,162) |
| Allowance for expected credit losses of trade receivables 20(b) | (374,162) | (374,162) |
| | 2,207,236 | 2,125,352 |
| Non-current | | |
| Rates and statutory receivables | 118,798 | 110,862 |
| | 118,798 | 110,862 |

Disclosure of opening and closing balances related to contracts with customers

| Note | 30 June 2023 Actual \$ | 30 June 2022 Actual \$ | 1 July 2021 Actual \$ | |
|---|---------------------------------|---------------------------------|--------------------------------|-----------|
| Allowance for expected credit losses of trade receivables | 5 | (374,162) | (374,162) | (374,162) |
| Total trade and other receivables from contracts with customers | | (374,162) | (374,162) | (374,162) |

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non financial assets as part of the ordinary course of business.

Other receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts received as grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

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.

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 20.

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

6. INVENTORIES

| Note | 2023 \$ | 2022 \$ |
|--|------------|------------|
| Current | | |
| Fuel and materials | 32,270 | 23,017 |
| Visitor centre stock | 18,510 | 26,336 |
| | 50,780 | 49,353 |
| The following movements in inventories occurred during the year: | | |
| Balance at beginning of year | 49,353 | 32,395 |
| Inventories expensed during the year | (127,520) | (91,907) |
| Additions to inventory | 128,947 | 108,865 |
| Balance at end of year | 50,780 | 49,353 |

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.



Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

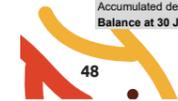
For the Year Ended 30 June 2023

8. 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.

| | Land | Buildings | Total land and buildings not subject to operating lease | Total land and buildings | Furniture and equipment | Plant and equipment | PPE - work in progress | Total property, plant and equipment |
|--|-----------|-------------|---|--------------------------|-------------------------|---------------------|------------------------|-------------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2021 | 4,213,000 | 41,849,548 | 46,062,548 | 46,062,548 | 91,799 | 1,308,494 | 0 | 47,462,841 |
| Additions | 0 | 500,948 | 500,948 | 500,948 | 66,807 | 460,093 | 0 | 1,027,848 |
| Disposals | 0 | 0 | 0 | 0 | 0 | (54,674) | 0 | (54,674) |
| Depreciation | 0 | (970,090) | (970,090) | (970,090) | (34,488) | (265,737) | 0 | (1,270,315) |
| Balance at 30 June 2022 | 4,213,000 | 41,380,406 | 45,593,406 | 45,593,406 | 124,118 | 1,448,176 | 0 | 47,165,700 |
| Comprises: | | | | | | | | |
| Gross balance amount at 30 June 2022 | 4,213,000 | 42,350,496 | 46,563,496 | 46,563,496 | 321,266 | 2,584,067 | 0 | 49,468,829 |
| Accumulated depreciation at 30 June 2022 | 0 | (970,090) | (970,090) | (970,090) | (197,148) | (1,135,891) | 0 | (2,303,129) |
| Balance at 30 June 2022 | 4,213,000 | 41,380,406 | 45,593,406 | 45,593,406 | 124,118 | 1,448,176 | 0 | 47,165,700 |
| Additions | 0 | 689,996 | 689,996 | 689,996 | 18,333 | 720,952 | 8,723 | 1,438,004 |
| Disposals | 0 | 0 | 0 | 0 | 0 | (44,489) | 0 | (44,489) |
| Depreciation | 0 | (972,558) | (972,558) | (972,558) | (27,056) | (245,876) | 0 | (1,245,490) |
| Transfers | 0 | 0 | 0 | 0 | (115,395) | 115,395 | 0 | 0 |
| Balance at 30 June 2023 | 4,213,000 | 41,097,844 | 45,310,844 | 45,310,844 | 0 | 1,994,158 | 8,723 | 47,313,725 |
| Comprises: | | | | | | | | |
| Gross balance amount at 30 June 2023 | 4,213,000 | 43,040,491 | 47,253,491 | 47,253,491 | 0 | 3,507,887 | 8,723 | 50,770,101 |
| Accumulated depreciation at 30 June 2023 | 0 | (1,942,647) | (1,942,647) | (1,942,647) | 0 | (1,513,729) | 0 | (3,456,376) |
| Balance at 30 June 2023 | 4,213,000 | 41,097,844 | 45,310,844 | 45,310,844 | 0 | 1,994,158 | 8,723 | 47,313,725 |



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Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

8. 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 |
|--|----------------------|---|-------------------------------|------------------------|---|
| (i) Fair Value | | | | | |
| Land and buildings | | | | | |
| Land | 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 | 2 | Replacement cost method | Independent registered valuer | June 2021 | Perth based construction rates with appropriate district allowance applied to each location |
| 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 by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. | | | | | |
| (ii) Cost | | | | | |
| Furniture and equipment | | Not Applicable | At cost | N/A | Not Applicable |
| Plant and equipment | | Not Applicable | At cost | N/A | Not Applicable |

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Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

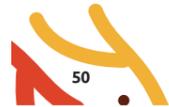
For the Year Ended 30 June 2023

9. 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.

| | 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 |
|--|------------------------|---------------------------------|----------------------------------|-------------------------------------|------------------------------|---------------------------------|---|--|----------------------|
| Balance at 1 July 2021 | \$ 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,210,251) | (1,210,251) |
| Impairment (losses) / reversals | (1,199,320) | (290,597) | 0 | 0 | 0 | 0 | 0 | 0 | (1,489,917) |
| Depreciation | (4,498,885) | (53,609) | (29,917) | (157,476) | (634,957) | (603,832) | (437,094) | (119,976) | (6,535,746) |
| Balance at 30 June 2022 | 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 |
| Comprises: | | | | | | | | | |
| 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) |
| Balance at 30 June 2022 | 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 |
| Additions | 8,988,387 | 0 | 0 | 0 | 21,070 | 0 | 380,292 | 0 | 9,389,749 |
| Revaluation increments / (decrements) transferred to revaluation surplus | 16,189,296 | (192,935) | 0 | 0 | 0 | 0 | 0 | (369,548) | 15,626,815 |
| Revaluation (loss) / reversals transferred to profit or loss | 0 | 0 | (164,984) | 0 | 0 | 0 | 0 | 0 | (164,984) |
| Depreciation | (4,528,839) | (46,356) | (29,917) | (157,515) | (634,957) | (603,828) | (438,150) | (79,930) | (6,519,492) |
| Balance at 30 June 2023 | 241,660,265 | 1,862,337 | 560,508 | 3,128,082 | 20,134,141 | 27,699,333 | 8,217,880 | 1,052,650 | 304,315,196 |
| Comprises: | | | | | | | | | |
| Gross balance at 30 June 2023 | 300,068,278 | 3,310,286 | 1,213,222 | 3,443,073 | 21,404,055 | 28,906,994 | 9,093,125 | 4,835,382 | 372,274,415 |
| Accumulated depreciation at 30 June 2023 | (58,408,013) | (1,447,949) | (652,714) | (314,991) | (1,269,914) | (1,207,661) | (875,245) | (3,782,732) | (67,959,219) |
| Balance at 30 June 2023 | 241,660,265 | 1,862,337 | 560,508 | 3,128,082 | 20,134,141 | 27,699,333 | 8,217,880 | 1,052,650 | 304,315,196 |



Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

| (i) Fair Value | Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of Valuation | Date of Last Valuation | Inputs Used |
|---|-------------|----------------------|---|--|------------------------|---|
| Infrastructure - roads | | 3 | Cost approach using current replacement cost | Independent registered valuer | June 2023 | Construction costs and current condition, residual values and remaining useful life assessments |
| Other infrastructure - drainage | | 3 | Cost approach using current replacement cost | Independent registered valuer | June 2023 | Construction costs and current condition, residual values and remaining useful life assessments |
| Other infrastructure - footpaths | | 3 | Cost approach using current replacement cost | Independent registered valuer | June 2023 | Construction costs and current condition, residual values and remaining useful life assessments |
| Other infrastructure - land & parks | | 3 | Cost approach using current replacement cost | Independent registered valuer | June 2021 | Construction costs and current condition, residual values and remaining useful life assessments |
| Other infrastructure - wharf | | 3 | Cost approach using current replacement cost | Independent registered valuer | June 2021 | Construction costs and current condition, residual values and remaining useful life assessments |
| Other infrastructure - airports | | 3 | Cost approach using current replacement cost | Independent registered valuer | June 2021 | Construction costs and current condition, residual values and remaining useful life assessments |
| Other infrastructure - other structures | | 3 | Cost approach using current replacement cost | Independent registered valuer | June 2021 | Construction costs and current condition, residual values and remaining useful life assessments |
| Other infrastructure - landfill assets | | 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.

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

10. FIXED ASSETS

(a) Depreciation

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 |

(b) Fully Depreciated Assets in Use

The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.

| | 2023 \$ | 2022 \$ |
|---|------------|------------|
| Plant and equipment | 499,864 | 420,960 |
| Other infrastructure - other structures | 2,849 | 2,849 |
| | 502,713 | 423,809 |

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

10. 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 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.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, 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 and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, 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 consistent with *Financial Management Regulation 17A(4)*.

Revaluation

The fair value of land, buildings and infrastructure is 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 consistent with *Financial Management Regulation 17A(2)* which requires land, buildings, investment properties, infrastructure and vested improvements to be shown at fair value.

Revaluation (continued)

For land, buildings and infrastructure increases in the carrying amount arising on revaluation of asset classes 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.

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:

- The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

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 or losses on disposal

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.



Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

11. TRADE AND OTHER PAYABLES

Current

| | 2023 \$ | 2022 \$ |
|--------------------------------|------------|------------|
| Sundry creditors | 1,734,343 | 3,612,589 |
| Prepaid rates | 162,222 | 164,192 |
| Accrued payroll liabilities | 277,616 | 159,733 |
| Other payables | 458,035 | 265,482 |
| Accrued expenses | 2,352,807 | 2,820,338 |
| Accrued interest on borrowings | 8,009 | 9,030 |
| | 4,993,032 | 7,031,364 |

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. Guarantees (or subsequently measured at amortised cost).

Financial liabilities are derecognised where the related 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 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 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 income for the prepaid rates that have

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

12. OTHER LIABILITIES

Current

| | 2023 \$ | 2022 \$ |
|---|------------|------------|
| Contract liabilities | 84,860 | 124,860 |
| Capital grant/contributions liabilities | 1,107,545 | 2,487,091 |
| | 1,192,405 | 2,611,951 |

Reconciliation of changes in contract liabilities

| | | |
|---|----------|-----------|
| Opening balance | 124,860 | 227,553 |
| Additions | 0 | 40,000 |
| Revenue from contracts with customers included as a contract liability at the start of the period | (40,000) | (142,693) |
| | 84,860 | 124,860 |

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$84,860 (2022: \$124,860)

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

Reconciliation of changes in capital grant/contribution liabilities

| | | |
|---|-------------|-----------|
| Opening balance | 2,487,091 | 773,724 |
| Additions | 877,558 | 2,276,411 |
| Revenue from capital grant/contributions held as a liability at the start of the period | (2,257,104) | (563,044) |
| | 1,107,545 | 2,487,091 |

Expected satisfaction of capital grant/contribution liabilities

| | | |
|------------------|-----------|-----------|
| Less than 1 year | 1,107,545 | 2,487,091 |
|------------------|-----------|-----------|

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 by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, 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 22(i)) due to the unobservable inputs, including own credit risk.



Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

13. BORROWINGS

| | Note | 2023 | | | 2022 | | |
|---------------------------------|-------|---------|-------------|-----------|---------|-------------|-----------|
| | | Current | Non-current | Total | Current | Non-current | Total |
| Secured | | \$ | \$ | \$ | \$ | \$ | \$ |
| Unsecured loan | | 237,288 | 2,447,455 | 2,684,743 | 381,779 | 2,684,742 | 3,066,521 |
| Total secured borrowings | 26(a) | 237,288 | 2,447,455 | 2,684,743 | 381,779 | 2,684,742 | 3,066,521 |

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

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 22(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 26(a).

Information regarding exposure to risk can be found at Note 20.

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

| | 2023 | 2022 |
|--|-----------|---------|
| Current provisions | \$ | \$ |
| Employee benefit provisions | | |
| Annual leave | 516,935 | 364,110 |
| Long service leave | 446,185 | 327,404 |
| | 963,120 | 691,514 |
| Total current employee related provisions | 963,120 | 691,514 |
| Non-current provisions | | |
| Employee benefit provisions | | |
| Long service leave | 97,550 | 59,355 |
| | 97,550 | 59,355 |
| Total non-current employee related provisions | 97,550 | 59,355 |
| Total employee related provisions | 1,060,670 | 750,869 |

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:

| | Note | 2023 | 2022 |
|---|------|-----------|---------|
| Amounts are expected to be settled on the following basis: | | \$ | \$ |
| Less than 12 months after the reporting date | | 364,110 | 454,576 |
| More than 12 months from reporting date | | 696,560 | 296,293 |
| | | 1,060,670 | 750,869 |

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.



Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

15. OTHER PROVISIONS

| | Provision for Deferred | | | Total |
|--|---------------------------|----------------------------|----------------------|-----------|
| | Make good provisions | Creditors - RAAF Curtin | Other liabilities | |
| | \$ | \$ | \$ | \$ |
| Opening balance at 1 July 2022 | | | | |
| Current provisions | 0 | 130,237 | 0 | 130,237 |
| Non-current provisions | 5,464,972 | 0 | 0 | 5,464,972 |
| | 5,464,972 | 130,237 | 0 | 5,595,209 |
| | | | | |
| Additional provision | (1,094,086) | 0 | 952,140 | (141,946) |
| Amounts transferred | 0 | (130,237) | 0 | (130,237) |
| Charged to profit or loss - unwinding of discount | 266,496 | 0 | 0 | 266,496 |
| Balance at 30 June 2023 | 4,637,382 | 0 | 952,140 | 5,589,522 |
| | | | | |
| Comprises | | | | |
| Current | 0 | 0 | 56,144 | 56,144 |
| Non-current | 4,637,382 | 0 | 895,996 | 5,533,378 |
| | 4,637,382 | 0 | 952,140 | 5,589,522 |

Other provisions

Amounts which are 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.

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.

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

16. REVALUATION SURPLUS

| | 2023 Opening Balance | Total Movement on Revaluation | 2023 Closing Balance | 2022 Opening Balance | Total Movement on Revaluation | 2022 Closing Balance |
|---|----------------------------|-------------------------------------|----------------------------|----------------------------|-------------------------------------|----------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Revaluation surplus - Land - freehold land | 12,888,340 | 0 | 12,888,340 | 12,888,340 | 0 | 12,888,340 |
| Revaluation surplus - Buildings | 8,731,138 | 0 | 8,731,138 | 8,731,138 | 0 | 8,731,138 |
| Revaluation surplus - Plant and equipment | 748,903 | 0 | 748,903 | 748,903 | 0 | 748,903 |
| Revaluation surplus - Computer equipment | 18,880 | 0 | 18,880 | 18,880 | 0 | 18,880 |
| Revaluation surplus - Infrastructure - roads | 185,387,396 | 16,189,298 | 201,576,694 | 186,586,716 | (1,199,320) | 185,387,396 |
| Revaluation surplus - Other infrastructure- drainage | 2,487,660 | (192,935) | 2,294,725 | 2,778,257 | (290,597) | 2,487,660 |
| Revaluation surplus - Other infrastructure - land & parks | 4,451,496 | 0 | 4,451,496 | 4,451,496 | 0 | 4,451,496 |
| Revaluation surplus - Other infrastructure - wharf | 17,705,999 | 0 | 17,705,999 | 17,705,999 | 0 | 17,705,999 |
| Revaluation surplus - Other infrastructure - airports | 28,313,650 | 0 | 28,313,650 | 28,313,650 | 0 | 28,313,650 |
| Revaluation surplus - Other infrastructure - other structures | 2,539,121 | 0 | 2,539,121 | 2,539,121 | 0 | 2,539,121 |
| Revaluation surplus - Other infrastructure - landfill assets | 2,841,973 | 724,538 | 3,566,511 | 832,954 | 2,009,019 | 2,841,973 |
| | 266,114,556 | 16,720,901 | 282,835,457 | 265,595,454 | 519,102 | 266,114,556 |

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

17. 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 | 2023 Actual \$ | 2022 Actual \$ | |
|--|----------------------|----------------------|-------------|
| Cash and cash equivalents | 3 | 10,843,886 | 11,335,343 |
| Restrictions | | | |
| 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 | 1,192,405 | 3,587,752 |
| - Financial assets at amortised cost | 4 | 975,801 | 0 |
| | | 2,168,206 | 3,587,752 |
| The restricted financial assets are a result of the following specific purposes to which the assets may be used: | | | |
| Restricted reserve accounts | 27 | 975,801 | 975,801 |
| Contract liabilities | 12 | 84,860 | 124,860 |
| Capital grant liabilities | 12 | 1,107,545 | 2,487,091 |
| Total restricted financial assets | | 2,168,206 | 3,587,752 |
| (b) Reconciliation of Net Result to Net Cash Provided By Operating Activities | | | |
| Net result | | 6,117,222 | (262,533) |
| Non-cash items: | | | |
| Depreciation/amortisation | | 7,764,982 | 7,806,061 |
| (Profit)/loss on sale of asset | | (68,800) | (66,824) |
| Loss on revaluation of fixed assets | | 164,984 | 0 |
| Changes in assets and liabilities: | | | |
| (Increase)/decrease in trade and other receivables | | (89,820) | 431,395 |
| (Increase)/decrease in other assets | | (246,877) | 0 |
| (Increase)/decrease in inventories | | (1,427) | (16,958) |
| Increase/(decrease) in trade and other payables | | (2,038,332) | 3,381,598 |
| Increase/(decrease) in employee related provisions | | 309,801 | 13,196 |
| Increase/(decrease) in other provisions | | 1,088,399 | 317,616 |
| Increase/(decrease) in other liabilities | | (1,419,546) | 1,610,674 |
| Capital grants, subsidies and contributions | | (8,838,124) | (5,329,129) |
| Net cash provided by/(used in) operating activities | | 2,742,462 | 7,885,096 |
| (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 | | (36,630) | (45,175) |
| Total amount of credit unused | | 13,370 | 4,825 |
| Loan facilities | | | |
| Loan facilities - current | | 237,288 | 381,779 |
| Loan facilities - non-current | | 2,447,455 | 2,684,742 |
| Total facilities in use at balance date | | 2,684,743 | 3,066,521 |
| Unused loan facilities at balance date | | NIL | NIL |

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

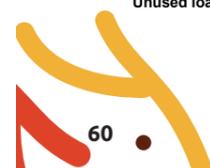
For the Year Ended 30 June 2023

18. 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 on 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.



Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

| Note | 2023 Actual \$ | 2023 Budget \$ | 2022 Actual \$ |
|--|----------------------|----------------------|----------------------|
| President's annual allowance | 62,727 | 62,727 | 62,727 |
| President's meeting attendance fees | 23,231 | 23,231 | 23,231 |
| President's ICT expenses | 1,333 | 1,333 | 1,333 |
| | 87,291 | 87,291 | 87,291 |
| Deputy President's annual allowance | 15,682 | 15,682 | 15,682 |
| Deputy President's meeting attendance fees | 17,325 | 17,325 | 17,325 |
| Deputy President's ICT expenses | 1,333 | 1,333 | 1,333 |
| Deputy President's travel and accommodation expenses | 5,124 | 0 | 0 |
| | 39,464 | 34,340 | 34,340 |
| All other council member's meeting attendance fees | 121,275 | 121,275 | 117,270 |
| All other council member's expenses | 0 | 0 | 275 |
| All other council member's ICT expenses | 0 | 0 | 8,631 |
| All other council member's annual allowance for ICT expenses | 9,331 | 9,331 | 0 |
| All other council member's travel and accommodation expenses | 5,255 | 0 | 14,453 |
| | 135,861 | 130,606 | 140,629 |
| 19(b) | 262,616 | 252,237 | 262,260 |

(b) Key Management Personnel (KMP) Compensation

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

| | | |
|-------------------------------------|-----------|-----------|
| Short-term employee benefits | 1,358,330 | 1,299,541 |
| Post-employment benefits | 180,291 | 181,337 |
| Employee - other long-term benefits | 152,906 | 99,967 |
| Council member costs | 262,616 | 262,260 |
| | 1,954,143 | 1,843,105 |

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.

Council member costs

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

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

19. RELATED PARTY TRANSACTIONS

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:

| | 2023 Actual \$ | 2022 Actual \$ |
|--|----------------------|----------------------|
| Sale of goods and services | 1,365 | 2,316 |
| Purchase of goods and services | 5,960 | 841 |
| Amounts outstanding from related parties: | | |
| Trade and other receivables | 0 | 1,108 |

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 and are detailed in Notes 19(a) and 19(b)

ii. Other Related Parties

Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the Shire

There were no such entities requiring disclosure during the current or previous year.

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

20. 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 department under policies approved by the council. The finance department 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 |
|--|--------------------------------|------------------|---------------------|------------------------|----------------------|
| | % | \$ | \$ | \$ | \$ |
| 2023 | | | | | |
| Cash and cash equivalents | 0.00% | 10,843,886 | 0 | 10,711,659 | 132,227 |
| Financial assets at amortised cost - term deposits | 0.23% | 975,801 | 975,801 | 0 | 0 |
| 2022 | | | | | |
| Cash and cash equivalents | 0.12% | 11,335,343 | 975,801 | 10,248,690 | 110,852 |

Sensitivity

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

| | 2023 | 2022 |
|---|---------|---------|
| | \$ | \$ |
| Impact of a 1% movement in interest rates on profit or loss and equity* | 107,117 | 102,487 |

* 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 26(a).

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

20. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. 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.

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 Financial Instruments simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2022 or 1 July 2023 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade and other receivables.

| | Current | More than 30 days past due | More than 60 days past due | More than 90 days past due | Total |
|-----------------------|---------|----------------------------|----------------------------|----------------------------|---------|
| 30 June 2023 | | | | | |
| Trade 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 |
| 30 June 2022 | | | | | |
| Trade 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 |



Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

20. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade, other receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

| | Trade receivables | | Other receivables | | Contract Assets | |
|---|-------------------|----------------|-------------------|----------------|-----------------|----------------|
| | 2023 Actual | 2022 Actual | 2023 Actual | 2022 Actual | 2023 Actual | 2022 Actual |
| Opening loss allowance as at 1 July | \$ 374,162 | \$ 367,835 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Increase in loss allowance recognised in profit or loss during the year | 178,958 | 6,327 | 0 | 0 | 0 | 0 |
| Unused amount reversed | (178,958) | 0 | 0 | 0 | 0 | 0 |
| Closing loss allowance at 30 June | 374,162 | 374,162 | 0 | 0 | 0 | 0 |

Trade, other 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 rates and statutory receivables, trade, other receivables and contract assets are presented as net impairment losses within other expenditure. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contract Assets

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

20. 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 17(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 |
|--------------------------|-------------------------|-------------------------------|-------------------------|------------------------------------|--------------------|
| 2023 | \$ | \$ | \$ | \$ | \$ |
| Trade and other payables | 4,993,032 | 0 | 0 | 4,993,032 | 4,993,032 |
| Borrowings | 298,009 | 1,973,466 | 769,218 | 3,040,693 | 2,684,743 |
| | 5,291,041 | 1,973,466 | 769,218 | 8,033,725 | 7,677,775 |
| 2022 | | | | | |
| 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 |
| | 7,516,032 | 2,271,474 | 769,218 | 10,556,724 | 10,097,885 |



Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events occurring after the end of the reporting period.

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

22. 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 report 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 revenue

Interest revenue 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 *Fair Value Measurement* 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.

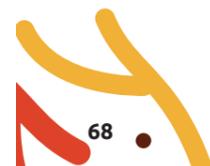
Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs 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 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 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.



Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

23. 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 |
|--|--|
| Governance 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. |
| General purpose funding To collect revenue to allow for the provision of services. | Rates, general purpose government grants and interest revenue. |
| Law, order, public safety To provide services to help ensure a safer and environmentally conscious community. | Supervision of various by-laws, fire prevention, emergency services and animal control. |
| Health 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. |
| Education and welfare To provide services to disadvantaged persons, the elderly, children and youth. | Year round care, housing for the aged and educational services. |
| Housing Help ensure adequate housing. | Management and maintenance of staff and rental housing. |
| Community amenities 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. |
| Recreation and culture 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. |
| Transport 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. |
| Economic services To help promote the Shire and its economic well being. | Building control, saleyards, tourism and area promotion, standpipes and pest control. |
| Other property and services 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. |

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Annual Report 2022-2023

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

23. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

| | 2023 Actual \$ | 2022 Actual \$ |
|---|----------------------|----------------------|
| Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions | | |
| Governance | 12,846 | 14,135 |
| General purpose funding | 8,994,007 | 7,885,151 |
| Law, order, public safety | 63,797 | 46,848 |
| Health | 44,314 | 24,846 |
| Education and welfare | 7,993 | 136 |
| Housing | 142,696 | 127,189 |
| Community amenities | 2,912,968 | 2,548,233 |
| Recreation and culture | 612,911 | 295,710 |
| Transport | 2,948,003 | 2,180,730 |
| Economic services | 69,003 | 98,658 |
| Other property and services | 238,575 | 73,017 |
| | 16,047,113 | 13,294,653 |
| Grants, subsidies and contributions and capital grants, subsidies and contributions | | |
| General purpose funding | 9,454,466 | 7,452,624 |
| Law, order, public safety | 133,750 | 67,414 |
| Health | 702,988 | 672,002 |
| Education and welfare | 354,839 | 755,828 |
| Community amenities | 150,000 | 56,331 |
| Recreation and culture | 640,163 | 119,400 |
| Transport | 9,521,726 | 4,197,580 |
| Economic services | 489,980 | 17,481 |
| Other property and services | 30,272 | |
| | 21,478,184 | 13,338,660 |
| Total Income | 37,525,297 | 26,633,313 |
| Expenses | | |
| Governance | (1,731,448) | (1,424,067) |
| General purpose funding | (275,051) | (504,878) |
| Law, order, public safety | (837,484) | (620,158) |
| Health | (1,268,693) | (1,198,494) |
| Education and welfare | (1,410,299) | (991,245) |
| Housing | (530,511) | (340,853) |
| Community amenities | (3,923,983) | (3,810,233) |
| Recreation and culture | (6,387,705) | (5,635,089) |
| Transport | (10,773,200) | (10,671,138) |
| Economic services | (1,244,851) | (1,150,525) |
| Other property and services | (3,024,850) | (549,166) |
| Total expenses | (31,408,075) | (26,895,846) |
| Net result for the period | 6,117,222 | (262,533) |
| (c) Total Assets | | |
| Governance | 91,910 | 218,080 |
| General purpose funding | 1,284,359 | 1,036,490 |
| Law, order, public safety | 489,318 | 445,201 |
| Health | 456,983 | 793,417 |
| Education and welfare | 3,283,975 | 3,077,403 |
| Housing | 9,329,838 | 9,473,455 |
| Community amenities | 2,760,786 | 5,740,209 |
| Recreation and culture | 20,361,012 | 20,719,513 |
| Transport | 310,631,888 | 288,863,166 |
| Economic services | 3,316,528 | 3,105,792 |
| Other property and services | 3,748,569 | 3,069,374 |
| Unallocated | 10,383,668 | 10,294,153 |
| | 366,138,834 | 346,836,253 |

Shire of Derby/West Kimberley 71

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

24. RATING INFORMATION

(a) General Rates

| RATE TYPE | | | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2021/22 | |
|---|------------------------|------------|----------------------|------------------------|---------------------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|
| Rate Description | Basis of valuation | Rate in \$ | Number of Properties | Actual Rateable Value* | Actual Rate Revenue | Actual Interim Rates | Actual Total Revenue | Budget Rate Revenue | Budget Interim Rate | Budget Total Revenue | Actual Total Revenue |
| GRV General | Gross rental valuation | 0.13404 | 1,406 | 38,899,633 | 5,214,185 | 1,710 | 5,215,895 | 5,205,472 | 0 | 5,205,472 | 4,748,901 |
| UV General | Unimproved valuation | 0.07950 | 145 | 37,129,781 | 2,951,743 | 70,418 | 3,022,161 | 2,951,235 | 0 | 2,951,235 | 2,561,404 |
| Total general rates | | | 1,551 | 76,029,414 | 8,165,928 | 72,128 | 8,238,056 | 8,156,707 | 0 | 8,156,707 | 7,310,305 |
| Minimum Payment | | | | | | | | | | | |
| GRV General | Gross rental valuation | 1,520 | 270 | 1,255,818 | 410,400 | 0 | 410,400 | 407,360 | 0 | 407,360 | 290,400 |
| UV General | Unimproved valuation | 590 | 143 | 308,625 | 84,370 | 0 | 84,370 | 84,370 | 0 | 84,370 | 85,400 |
| Total minimum payments | | | 413 | 1,564,443 | 494,770 | 0 | 494,770 | 491,730 | 0 | 491,730 | 375,800 |
| Total general rates and minimum payments | | | 1,964 | 77,593,857 | 8,660,698 | 72,128 | 8,732,826 | 8,648,437 | 0 | 8,648,437 | 7,686,105 |
| Discounts | | | | | | | (63,885) | | | (60,000) | (59,165) |
| Total Rates | | | | | | | 8,668,941 | 8,588,437 | | 8,588,437 | 7,626,940 |
| Rate instalment interest | | | | | | | 24,153 | | | 25,000 | 13,068 |
| Rate overdue interest | Note 2(a) | | | | | | 109,884 | | | 153,912 | 136,327 |

The rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

*Rateable Value at time of raising of rate.

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

25. DETERMINATION OF SURPLUS OR DEFICIT

| Note | 2022/23 (30 June 2023 Carried Forward) | 2022/23 Budget (30 June 2023 Carried Forward) | 2021/22 (30 June 2022 Carried Forward) |
|---|--|--|--|
| | \$ | \$ | \$ |
| (a) Non-cash amounts excluded from operating activities | | | |
| The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> . | | | |
| Adjustments to operating activities | | | |
| Less: Profit on asset disposals | (68,800) | 0 | (73,329) |
| Add: Loss on disposal of assets | 0 | 0 | 6,505 |
| Add: Loss on revaluation of fixed assets | 164,984 | 0 | 0 |
| Add: Depreciation | 7,764,982 | 7,131,200 | 7,806,061 |
| Non-cash movements in non-current assets and liabilities: | | | |
| Pensioner deferred rates | (7,936) | 0 | (2,248) |
| Employee benefit provisions | 38,195 | 0 | (100,051) |
| Other provisions | 1,162,492 | 0 | 187,379 |
| Non-cash amounts excluded from operating activities | 9,053,917 | 7,131,200 | 7,824,317 |
| (b) Surplus or deficit after imposition of general rates | | | |
| The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates. | | | |
| Adjustments to net current assets | | | |
| Less: Reserve accounts | (975,801) | (501,325) | (975,801) |
| Add: Current liabilities not expected to be cleared at end of year | | | |
| - Current portion of borrowings | 237,288 | 618,221 | 381,779 |
| - Employee benefit provisions | 402,441 | 402,441 | 402,441 |
| Total adjustments to net current assets | (336,072) | 519,337 | (191,581) |
| Net current assets used in the Statement of Financial Activity | | | |
| Total current assets | 14,391,115 | 4,912,121 | 13,576,583 |
| Less: Total current liabilities | (7,441,989) | (5,431,458) | (10,846,845) |
| Less: Total adjustments to net current assets | (336,072) | 519,337 | (191,581) |
| Surplus or deficit after imposition of general rates | 6,613,054 | 0 | 2,538,157 |

Annual Report 2022-2023



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Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

26. BORROWING AND LEASE LIABILITIES

| (a) Borrowings | | | | | | | | | | | | |
|--------------------------------------|------|--------------------------|--------------------------|-------------------------------------|---------------------------|--------------------------|-------------------------------------|---------------------------|--------------------------|--------------------------|-------------------------------------|---------------------------|
| Purpose | Note | Actual | | | | | | Budget | | | | |
| | | Principal at 1 July 2021 | New Loans During 2021-22 | Principal Repayments During 2021-22 | Principal at 30 June 2022 | New Loans During 2022-23 | Principal Repayments During 2022-23 | Principal at 30 June 2023 | Principal at 1 July 2022 | New Loans During 2022-23 | Principal Repayments During 2022-23 | Principal at 30 June 2023 |
| Staff housing | | 75,276 | 0 | (23,491) | 51,785 | 0 | (25,057) | 26,728 | 51,785 | 0 | (25,057) | 26,728 |
| Staff housing | | 564,880 | 0 | (48,289) | 516,591 | 0 | (51,394) | 465,197 | 516,591 | 0 | (51,394) | 465,197 |
| Staff housing | | 262,622 | 0 | (18,934) | 243,688 | 0 | (19,794) | 223,894 | 243,688 | 0 | (19,794) | 223,894 |
| Staff housing | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000,000 | 0 | 1,000,000 |
| Wharf fenders, boat ramp | | 193,395 | 0 | (27,044) | 166,351 | 0 | (28,934) | 137,417 | 166,351 | 0 | (28,934) | 137,417 |
| Derby wharf infrastructure | | 289,395 | 0 | (37,719) | 251,676 | 0 | (38,866) | 212,810 | 251,676 | 0 | (38,867) | 212,809 |
| Derby Airport Infrastructure & wharf | | 1,721,515 | 0 | (189,695) | 1,531,820 | 0 | (192,991) | 1,338,829 | 1,531,820 | 0 | (192,991) | 1,338,829 |
| Derby Visitors Centre | | 328,278 | 0 | (23,668) | 304,610 | 0 | (24,742) | 279,868 | 304,610 | 0 | (24,742) | 279,868 |
| Total | | 3,435,361 | 0 | (368,840) | 3,066,521 | 0 | (381,778) | 2,684,743 | 3,066,521 | 1,000,000 | (381,779) | 3,684,742 |

| Purpose | Note | Loan Number | Institution | Interest Rate | Date final payment is due | Actual for year ending | Budget for year ending | Actual for year ending |
|--------------------------------------|------|-------------|-------------|---------------|---------------------------|------------------------|------------------------|------------------------|
| | | | | | | 30 June 2023 | 30 June 2023 | 30 June 2022 |
| Staff housing | | 136 | WATC | 6.46% | May-2024 | (2,798) | (2,947) | (4,799) |
| Staff housing | | 146 | WATC | 6.33% | Mar-2030 | (31,060) | (31,900) | (43,446) |
| Staff housing | | 148 | WATC | 4.49% | Jun-2032 | (10,717) | (10,722) | (11,641) |
| Staff housing | | NEW | WATC | 3.90% | NA | 0 | 0 | 0 |
| Wharf fenders, boat ramp | | 145 | WATC | 6.87% | Jun-2027 | (10,934) | (10,940) | (12,861) |
| Derby wharf infrastructure | | 151 | WATC | 3.02% | Jun-2028 | (7,303) | (7,303) | (8,499) |
| Derby Airport Infrastructure & wharf | | 152 | WATC | 1.73% | Dec-2029 | (25,660) | (25,660) | (29,037) |
| Derby Visitors Centre | | 149 | WATC | 4.49% | Jun-2032 | (13,396) | (13,402) | (14,552) |
| Total | | | | | | (101,868) | (102,874) | (124,835) |

Total Finance Cost Payments

| | Actual for year ending 30 June 2023 | Budget for year ending 30 June 2023 | Actual for year ending 30 June 2022 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| | (101,868) | (102,874) | (124,835) |

* WA Treasury Corporation

(b) New Borrowings - 2022/23

| Particulars/Purpose | Institution | Loan Type | Term Years | Interest Rate % | Amount Borrowed | | Amount (Used) | | Total Interest & Charges | Actual Balance Unspent |
|---------------------|-------------|----------------|------------|-----------------|-----------------|-------------|---------------|-------------|--------------------------|------------------------|
| | | | | | 2023 Actual | 2023 Budget | 2023 Actual | 2023 Budget | | |
| Staff housing | WATC | Unsecured loan | 10 | - | 0 | 1,000,000 | 0 | 1,000,000 | 0 | 0 |
| | | | | | 0 | 1,000,000 | 0 | 1,000,000 | 0 | 0 |

* WA Treasury Corporation



Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

27. RESERVE ACCOUNTS

| | 2023 Actual Opening Balance | 2023 Actual Transfer to | 2023 Actual Transfer (from) | 2023 Actual Closing Balance | 2023 Budget Opening Balance | 2023 Budget Transfer to | 2023 Budget Transfer (from) | 2023 Budget Closing Balance | 2022 Actual Opening Balance | 2022 Actual Transfer to | 2022 Actual Transfer (from) | 2022 Actual Closing Balance |
|--|------------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------|-----------------------------|-----------------------------|
| | Restricted by council | | | | | | | | | | | |
| (a) Leave Reserve | 402,441 | 0 | 0 | 402,441 | 402,441 | 0 | 0 | 402,441 | 402,441 | 0 | 0 | 402,441 |
| (b) Office Building Reserve | 314,511 | 0 | 0 | 314,511 | 314,511 | 0 | (314,511) | 0 | 314,511 | 0 | 0 | 314,511 |
| (c) Airport Reserve | 28,456 | 0 | 0 | 28,456 | 28,456 | 0 | 0 | 28,456 | 28,456 | 0 | 0 | 28,456 |
| (d) Derby Wharf Maintenance Reserve | 3,721 | 0 | 0 | 3,721 | 3,721 | 0 | 0 | 3,721 | 3,721 | 0 | 0 | 3,721 |
| (e) Economic Development Reserve | 19,936 | 0 | 0 | 19,936 | 19,936 | 0 | 0 | 19,936 | 19,936 | 0 | 0 | 19,936 |
| (f) Fitzroy Crossing Recreation Hall Reserve | 46,771 | 0 | 0 | 46,771 | 46,771 | 0 | 0 | 46,771 | 46,771 | 0 | 0 | 46,771 |
| (g) Staff Housing Reserve | 159,965 | 0 | 0 | 159,965 | 159,965 | 0 | (159,965) | 0 | 159,965 | 0 | 0 | 159,965 |
| Total | 975,801 | 0 | 0 | 975,801 | 975,801 | 0 | (474,476) | 501,325 | 975,801 | 0 | 0 | 975,801 |

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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 account | Purpose of the reserve account |
|--|---|
| Restricted by council | |
| (a) Leave Reserve | To be used to fund annual and long service leave requirements. |
| (b) Office Building Reserve | To be used to fund the new Derby administration building |
| (c) Airport Reserve | To be used to fund airport capital works, primarily bitumen resealing |
| (d) Derby Wharf Maintenance Reserve | To be used to carry out wharf maintenance |
| (e) Economic Development Reserve | To promote economic development within the Shire |
| (f) Fitzroy Crossing Recreation Hall Reserve | 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 | To be used for the construction of staff housing |

Shire of Derby/West Kimberley Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2023

28. 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 2022 | Amounts Received | Amounts Paid | 30 June 2023 |
|--------------------|-------------|------------------|--------------|--------------|
| | \$ | \$ | \$ | \$ |
| Public open spaces | 295,981 | 0 | 0 | 295,981 |
| | 295,981 | 0 | 0 | 295,981 |

Independent Auditor's Report

For the Year Ended 30 June 2023



Auditor General

INDEPENDENT AUDITOR'S REPORT
2023
Shire of Derby-West Kimberley

To the Council 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 as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity 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 2023 and its financial position as 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, the 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.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation 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 2023, 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.

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.



Independent Auditor's Report

For the Year Ended 30 June 2023

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 (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the 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.

My independence and quality management 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent Auditor's Report

For the Year Ended 30 June 2023

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 2023 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 Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
18 December 2023



Shire of Derby / West Kimberley

Derby

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5.2 QUESTIONS FROM ELECTORS ON ITEMS RELATING TO THE ANNUAL REPORT 22/23

- NIL.

6 GENERAL BUSINESS

6.1 QUESTIONS FROM ELECTORS ON ITEMS RELATING TO OTHER MATTERS

Ms Freeland referred to the recent article in the Broome Advertiser that placed Derby in a negative light. She enquired what the Shire was doing to address this incorrect and damaging article. Ms Freedland also raised the lack of attendance by other members of the community at the Annual Electors Meeting. She believes that the Shire needs to motivate people to be involved and this could be achieved by including more information on notice boards and media pages.

Mr McCumstie advised that he has met with Sarah Crawford, journalist at The West Australian to challenge the dramatisation of the article. The Shire continues to provide factual information and raise concerns with a number of different agencies and media outlets. The Shire’s Strategic Community Plan focuses on engaging with the community and ensuring information is available. Within the next twelve months, Council meetings will be streamed live online, allowing better access to the community to participate in Council business.

Mr Gavranich sought an update on the RAAF Base in Derby.

Councillor Haerewa advised that the scope of works has not been released. It is anticipated that initial works will commence soon.

7 CLOSURE

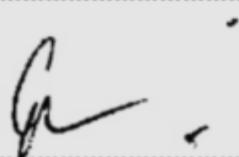
7.1 Closure of Meeting

The Presiding Member closed the meeting at 4:56pm.

These minutes were confirmed at a meeting on

6 February 2024

.....

Signed: 

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

Date: 6 February 2024

.....