

Shire of Broome Annual Report



For the financial year
2017/2018

What is the Annual Report?

As required by the Local Government Act 1995 and associated regulations the Annual Report for 2017/18 provides an overview of the operations, activities and major projects undertaken by the Shire for that period, and includes major initiatives proposed to commence or to continue in the next financial year. The performance of the Council is assessed against the Vision, Mission, Strategic Goals, Outcomes and Strategies as set out in the Shire of Broome Strategic Community Plan 2017 – 2027 and the Actions contained in the Corporate Business Plan 2017 – 2021.

These plans provide strategic focus for elected members and the organisation and affirms our commitments to the community.

Our Vision

A thriving and friendly community that recognises our history and embraces cultural diversity and economic opportunity, while nurturing our unique natural and built environment.

Our Mission

To deliver affordable and quality Local Government services.

Our Values

Values of the organisation are demonstrated through the way employees behave, interact and think. Defining values and clearly articulating what these values look and feel like is very important and are the building blocks to ensuring a consistent customer and staff experience is delivered at all times. Values and the behaviour they influence are also essential when creating a strong and well respected Corporate Brand both internally and externally.

Communication

Actively consult, engage and communicate with, and on behalf of the community.

Integrity

Be honest, equitable and ethical in all our dealings.

Respect

Recognise and respect the individual and unique requirements of all people, cultures and groups.

Innovation

Drive change through leadership and energy.

Transparency

Be open and accountable in all our activities.

Courtesy

Provide courteous service and helpful solutions.

Statistics Snapshot 2017/18

- 134,474 swimmers between the flags at Cable Beach;
- 105,184 items and e-resources issued by Broome Public Library;
- 38,733 people swimming at the BRAC pool;
- 2,900 audience members at Broome Civic Centre shows;
- 1,812 ballots cast in Broome Ward in 2017 Council election;
- 397 dogs and 168 cats impounded by Rangers;
- 213 KidSport vouchers issued valued at \$22,590;
- 203 event applications processed;
- 117 entrants in the BRAC 2 Beach Fun Run;
- 41 participants in Australian Citizenship Ceremonies;
- 33 burials and 1 interment of ashes at Broome Cemetery;
- 18 days average processing time for development applications;
- 9% increase in value of building works to total of \$28.27 million.



There were 117 entrants in the 2017 BRAC 2 Beach Fun.

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Message from the Shire President



Welcome to the Shire of Broome's 2017/18 Annual Report at the conclusion of a year in which we've faced some significant challenges, and also made significant progress on advancing our community and transforming our town.

Perhaps the greatest challenge we faced was a Wet Season of record rainfall, with three cyclones and a tropical low making their presence felt around the town and in our outlying communities. While Broome avoided any catastrophic damage, it certainly acted as reminder about the crucial importance of making

sure we're prepared for cyclones and natural disasters.

The damage bill totalled more than \$3.7 million, with most of that figure accounted for by significant damage to the Shire's road network, as well as damage to trees, vehicles, fences and buildings. As a community we proved to be resilient, and on behalf of Council I extend my thanks to all of those who were involved with the relief and recovery efforts.

On a more positive note, it's very pleasing that construction is underway on the long-awaited Chinatown Revitalisation Project. As the heart and soul of Broome, Chinatown plays a key role in culture, heritage and commerce, and this project has delivered a range of projects aimed at activating and enhancing the precinct.

The new Roebuck Bay Lookout is now taking shape at the top of Dampier Terrace and will be completed before the end of 2018. Significant upgrades to the streetscape in Carnarvon Street and Dampier Terrace have undergone extensive design and engineering work, and wide-ranging consultation within our community in the past year, and construction will get underway early in 2018/19.



Shire President Cr Harold Tracey inspects vision from newly installed CCTV cameras at Broome Police Station.

The Town Beach Project is set to transform another of our most important precincts, and the design and engineering for the first stage to build a rock revetment seawall has been completed, with procurement and construction underway shortly. This first stage will combat the ongoing erosion of the pindan cliffs and pave the way for new parkland, playgrounds, markets and more.

These and other important projects have been funded in partnership with the State Government, and the Shire has been diligent in seeking to decrease the financial burden on our community by seeking funding through grants and other external sources. Council has also stood by its commitment to minimise increases in Shire Rates, adopting a budget for the coming year based on an increase of just 1.78 per cent, and keeping increases at or below 2 per cent for the third consecutive year.

At the same time we are continuing to build our social capital through initiatives such as the inaugural Broome Reconciliation Festival, hosted during national Reconciliation Week in June to bring the community together in celebration of our Indigenous culture. The Shire of Broome also continued to support initiatives such as Kullarri NAIDOC, Kimberley Girl, National Youth Week, Shinju Matsuri and more. We welcomed guests to Broome including Australian Prime Minister Hon. Malcolm Turnbull MP, and WA Governor, Her Excellency Hon. Kerry Sanderson AC.

Broome also strengthened other cultural ties with a delegation of Councillors visiting Broome's Sister City of Taiji in Japan. Broome's historical link to Taiji goes back almost 150 years, with men from the town integral to the development of our pearling industry. In April 2018 three Councillors accompanied exchange students from St Mary's College to visit Taiji and strengthen the historical relationship between the two towns and renew personal connections.

All of this and more has played a key role in furthering Council's vision for Broome to be: "A thriving and friendly community that recognises our history and embraces cultural diversity and economic opportunity, whilst nurturing our natural and built environment."

And finally, can I please extend my thanks to the community for its support since my election as Broome Shire President in October 2017. I also congratulate Deputy Shire President, Cr Desiree Male, on her election which means that both the President and Deputy were born and raised in Broome. It's a tremendous privilege to serve the community in this role and to lead a committed and talented Council and staff.

Harold Tracey, Shire President

Message from the Chief Executive Officer



There is considerable optimism at the Shire of Broome as we embark on one of the busiest and most ambitious periods of development in our town's recent history.

A host of key initiatives that will make our town more liveable for residents, more attractive for visitors and will provide a welcome boost for the Broome economy are now underway or set to take off.

Under the leadership of a new Shire President and Deputy President following Local Government elections in October

2017, Shire staff are forging ahead on projects from the upgrade of key precincts at Chinatown and Town Beach, to planning for a new Safe Boat Harbour and Regional Resource Recovery Park.

Development of a business case and feasibility study for the Safe Boat Harbour project is progressing as the Shire works with its reference group partners to review design opportunities and conduct fatal flaw analysis for potential sites, including investigating impacts on the Federally protected dinosaur trackways on our coastline.

To meet Broome's waste management needs into the future, Council has endorsed a preferred location for a new state-of-the-art Regional Resource Recovery Park after extensive hydrogeography, topography, geotechnical, flora, fauna and heritage investigations. The preferred site is on Roebuck Plains Pastoral Station and the Shire is now in productive talks with traditional owners the Yawuru people to arrive at an agreement.

Construction work on the Chinatown Revitalisation Project is underway, along with other welcome infrastructure improvements

such as upgrades for the intersection of Hamersley St and Napier Tce, and Hunter St in the light industrial area.

An exciting collaboration between Broome International Airport, Australia's North West and the Shire of Broome led to a trial of international flights between Singapore and Broome that was well received and holds great promise for the future.

In addition to progressing these large-scale projects, the Shire of Broome continues to work closely with our community.

In the past year the Shire of Broome invested more than \$530,000 in local events, tourism and economic development projects, partnering with 15 Broome organisations through a new Economic, Events and Tourism Development Funding grants program and Tourism Administration Policy Funding grants program.

Twelve community groups received more than \$50,000 in funding through the Shire of Broome Community Sponsorship Program and Energy Developments Limited West Kimberley Community Donations, while a further nine groups received almost \$8000 in ad-hoc funding.

The Shire also delivered and facilitated a range of events and projects for local young people, including reinvigorating the Youth Advisory Council.

A new Disability Access and Inclusion Plan was adopted, and facilities and services for people with a disability continued to be improved, including installation of a new Changing Places facility at Broome Recreation and Aquatic Centre.

Shire facilities at BRAC, Broome Public Library and the Broome Civic Centre continued to engage with our community and provide high-quality programs, events and services.

Community safety is an ongoing priority, and initiatives in 2017/18 included Shire of Broome Rangers embarking on a significant campaign around fire breaks and fire mitigation, with their hard work resulting in a high level of compliance and improved community safety for all of us.

The actions and initiatives listed above provide a snapshot of what has been achieved in the past 12 months, and I would encourage our community to take the time to read the remainder of this Annual Report to get a full picture of where the Shire of Broome is headed. These achievements are the result of a great deal of hard work and dedication from Councillors, staff and the community. I thank them all for their considerable efforts, and look forward to what we can achieve together in the coming year.

Sam Mastrolembo, Chief Executive Officer



Broome Shire President Cr Harold Tracey and Shire CEO Sam Mastrolembo meet with Prime Minister Malcolm Turnbull in Broome.

About Council

Our Elected Members

The Council of the Shire of Broome consists of nine elected members. Council Ordinary Elections are held in October every second year, and Councillors are appointed for a four-year term. The Shire of Broome is divided into two wards: Broome Ward (seven Councillors) and Dampier Ward (two Councillors).

The next Local Government Ordinary election will be held on Saturday 19 October 2019, with the following offices of Councillor being up for election:

Broome Ward – 4 Councillors (Four x four-year terms)

Dampier Ward – 1 Councillor (Four-year term)

The role of a Councillor is to represent the community, provide leadership and guidance, facilitate communication between community and Council, make decisions on matters before Council, determine Council policy, govern finances and provide forward planning and evaluation of progress.

Section 2.2 of the Local Government Act 1995 requires Local Governments with a Ward system to carry out a review of the ward boundaries and the number of offices of Councillor for each ward at least every eight years. The last review was undertaken in 2016/17.



Shire President
Cr Harold Tracey



Deputy Shire President
Cr Desiree Male



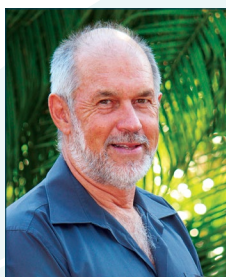
Cr Mala Fairborn



Cr Warren Fryer



Cr Catherine Marriott



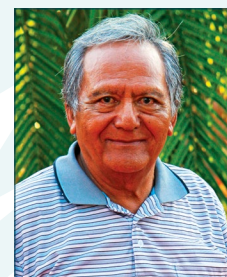
Cr Chris Mitchell JP



Cr Bruce Rudeforth Jnr



Cr Elsta Foy



Cr Philip Matsumoto

Councillors prior to 2017 Ordinary Election

Councillor	Term Expires	Ward
Cr Ron Johnston, Shire President	2017	Broome
Cr Harold Tracey, Deputy Shire President	2017	
Cr Mala Fairborn	2019	
Cr Warren Fryer	2019	
Cr Desiree Male	2017	
Cr Chris Mitchell, JP	2019	
Cr Bruce Rudeforth	2019	
Cr Elsta Foy	2019	Dampier
Cr Philip Matsumoto	2017	

An Ordinary Council election was held on Saturday 21 October 2017.

A total of 1812 electors cast a ballot paper for the Broome Ward, of which three were informal. The participation rate was 24.5 per cent which was lower than the 2015 participation rate of 26.3 per cent.

Only one nomination was received for the Dampier Ward therefore candidate Philip Matsumoto was declared elected unopposed by the Returning Officer.

Cr Male, Matsumoto and Tracey were re-elected for four-year terms. In addition, one new Councillor, Catherine Marriott, was elected for a four-year term.

Current Councillors

Councillor	Term Expires	Ward
Cr Harold Tracey, Shire President	2021	Broome
Cr Desiree Male, Deputy Shire President	2021	
Cr Mala Fairborn	2019	
Cr Warren Fryer	2019	
Cr Catherine Marriott	2021	
Cr Chris Mitchell	2019	
Cr Bruce Rudeforth	2019	
Cr Philip Matsumoto	2021	Dampier
Cr Elsta Foy	2019	

About Council

Council and Committee Meetings

With the exception of the December meeting, Ordinary Meetings of Council are generally held the last Thursday of the month at 5pm. All Council and Committee meetings (unless decided otherwise by Council) are open to the public. Special Meetings of Council are held as required.

Councillor Meeting Attendance 2017/18

Councillor	No. of Meetings to Attend (OMC's/ SMC's)	Attended	Non-Attendance	Apology/LOA
Cr R Johnston (term expired 21 October 2017)	4	1		3
Cr H Tracey	15	14		1
Cr D Male	15	14		1
Cr M Fairborn	15	11		4
Cr W Fryer	15	9		6
Cr E Foy	15	8		7
Cr C Marriott (elected 21 October 2017)	11	9		2
Cr P Matsumoto	15	11		4
Cr C Mitchell	15	12		3
Cr B Rudeforth	15	14		1



Shire President Cr Harold Tracey, Deputy Shire President Cr Desiree Male and Shire CEO Sam Mastrolembo meet with WA Premier Hon. Mark McGowan and Member for Mining and Pastoral Hon. Kyle McGinn.

Broome Snapshot

The Shire of Broome forms part of the Kimberley region of WA

Broome is a favourite holiday destination for visitors from all over Australia and the world. Located at the southern corner of the Kimberley, Broome has an extraordinary beauty and unique cultural history.

The Shire's cultural diversity is immediately apparent with influences from local Indigenous, and Asian cultures including Japanese, Chinese, Malaysian, Thai and Filipino.

The Shire of Broome comprises 55,796sqkm of coastline, bushland and desert. With a population of 16,222, this equates to a density of 3.4sqkm for every person, in comparison to 320 people per sqkm within the Greater Perth area.



Lifeguards on Broome's world-renowned Cable Beach.

Visiting Broome

Tourists from all over the world visit Broome to relax and enjoy the experiences of a town with a unique history, tropical climate and natural attractions.

Remnants of Broome's exotic pearling past are everywhere. The town's multicultural community ensures an array of gourmet tastes, colourful characters and cultural influences. Chinatown is home to some of the world's finest pearl showrooms along with a variety of retail outlets, most of which are open seven days a week. Broome also houses a number of galleries featuring work from renowned international and local artists and offers a unique selection of Aboriginal art.

Broome has many attractions including the natural phenomenon of the Staircase to the Moon, dinosaur footprints at Gantheaume Point, the Courthouse Markets, guided tours into the history of Broome's pearling industry, the heritage-listed Sun Pictures and the internationally renowned Cable Beach.

Living in Broome

With education facilities, restaurants, shopping, medical centres and a regional hospital, together with the opportunity to relax, camp and fish in the Kimberley, Broome's lifestyle is a drawcard for travellers to settle permanently in the town.

Broome is home to many government agencies which service the wider Kimberley region. With a climate ideal for outdoor activities, Broome's many sporting clubs and recreation facilities encourage community participation.

Family friendly events such as the annual Shinju Matsuri Festival see Broome's community celebrate its multicultural roots with a range of activities for all ages.

Given its popularity and desirability as a location to live, demand for affordable housing has been high and there is an ongoing supply of reasonably priced land with the capacity to provide private homes as well as land for social housing, schools, and light industrial and commercial opportunities.

Working in Broome

While the cattle and pearling industries were the main economic drivers in the past, more recently Broome has become a high profile tourist destination, with many residents employed to share Broome's tourism experiences with the thousands of visitors to the Kimberley during the high season.

Broome's other major industries include fishing, aquaculture, agriculture, horticulture, mining and exploration, and logistics, with the expansion of these sectors expected to generate economic growth for the region and offering greater employment opportunities into the future.

About the Shire of Broome

The Chief Executive Officer, Sam Mastrolembo, is the Shire's most senior officer and provides guidance and direction to staff to ensure that Council's policies and decisions are implemented. The CEO works in close partnership with the Shire President to promote the Shire and to link with the community, tiers of government and business sectors. The overall management of the Shire rests with the CEO who oversees the day-to-day operations while ensuring that Council direction is followed, governance is sound and community outcomes achieved.

The Shire has a management structure of four directorates: Office of the CEO; Development and Community; Corporate Services; and Infrastructure. The directorates are led by an executive management team which co-ordinates the operations of the Shire. Teams of dedicated staff with specialist skills and experience carry out each directorate's responsibilities, duties, programs, and initiatives of Council.



Sam Mastrolembo
Chief Executive Officer



Aletta Nugent
Director Development
and Community



James Watt
Director Corporate
Services



Steven Harding
Director Infrastructure

About the Shire of Broome

Office of the CEO

The Chief Executive Officer, Sam Mastrolemba, oversees this Directorate which is responsible for Human Resources, Executive Assistance and Media and Promotions. Responsibilities include public relations, internal and external media, coordination of the Business Excellence Service Team, training, organisational development, recruitment, occupational health, safety and risk.

Corporate Services

The Director Corporate Services, James Watt, oversees this directorate which provides technical and support services to the organisation and elected members. As well as coordinating Shire administration, finance, information technology and records management, it also undertakes cemetery administration, rates, payroll and customer service.

Development and Community

The Director Development and Community, Aletta Nugent, is responsible for providing building, planning, health, environmental, ranger and emergency services across the Shire to ensure the orderly and proper development and use of land to provide a liveable, safe and healthy environment for the community by enforcing compliance with relevant state and local legislation. This directorate is also comprised of specialist staff in the areas of economic development including project and events management, community development including libraries, disability access and inclusion, lifeguards, sport and recreation, youth, culture and the arts.

Infrastructure

The Director Infrastructure, Steven Harding, is responsible for the Shire's technical services in the form of the construction and maintenance of the physical infrastructure excluding the Shire's buildings. Infrastructure is responsible for roads, footpaths, drainage, car parking, street lighting, street furniture, depot and nursery, commercial and residential property and leasing, asset management, reactive maintenance, wastewater effluent re-use system, waste management, recreation reserves, parks and ovals, road verges, reticulation systems and bores, and cemetery maintenance.

Council's Long Term Planning and Forecasting Requirements

There are several major strategic documents required by legislation that are produced by the Shire and adopted by Council. While each individual document has a specific purpose, together they provide direction to Council and guide the future of the Shire of Broome.

Annual Report

The Annual Report is a requirement of the Local Government Act 1995 and is produced yearly. In addition to the statutory information, including the financial statements for 2017/18, the report is to provide an overview of the activities of the Shire for the previous financial year and include major initiatives that are proposed to commence or to continue in the next financial year.

Financial Statements

Financial statements outline the income and expenditure associated with the Shire's activities for the previous financial year. Once audited, the Financial Statements are published in the Annual Report.

Annual Budget

Projects identified within the Plan for the Future – Corporate Business Plan 2017-2021 form the basis for the development of the Shire budget. The annual budget sets out the forecasted income and expenditure for the coming financial year, identifies income sources and outlines proposed projects and activities.

About the Shire of Broome

Plan for the Future – Integrated Strategic Planning (Strategic Community Plan and Corporate Business Plan)

The Local Government Act 1995 requires all Local Governments in WA to implement a Plan for the Future.

Amendments to the Local Government (Administration) Regulations 1996 have better defined what comprises a Plan for the Future. These amendments were supported by the state-wide introduction of the Integrated Planning and Reporting (IPR) Framework. This Framework was introduced to ensure the integration of community priorities into strategic planning for Councils.

The Strategic Community Plan (SCP) is the head document of the IPR framework and provides the longer term view (10 year plus timeframe) and sets out the vision, aspirations and objectives of the community. Regulation 19C(4) of the Local Government (Administration) Regulations 1996 requires the SCP to be reviewed at least every four years. A full review of the SCP was undertaken in the first half of 2016/17.

Following the full review, Council adopted the Shire of Broome Strategic Community Plan 2017-2027 at the Ordinary Meeting of Council held 15 December 2016. A desktop review of the Strategic Community Plan will occur in 2018/19.

The Corporate Business Plan (CBP) is responsible for translating the strategic direction of the Shire, articulated within the SCP, into specific priorities and actions at an operational level. The CBP also draws together actions contained within the Long Term Financial Plan (LTFP), Capital Works Program, Asset Management Plans and various informing strategies.

It provides a four-year snapshot of operational actions and priorities to inform the annual planning and budgeting process. The CBP is required to be reviewed annually in line with the budget process to ensure priorities are achievable and effectively timed. The last review of the CBP was adopted by Council at the Ordinary Meeting of Council held 14 December 2017.



The Chinatown Revitalisation Project is working to activate Broome's cultural, historical and commercial centre.

2017/18 Year in Review

This report summarises the Shire of Broome's progress during the 2017/18 financial year toward attaining the Goals, Outcomes and Strategies set out in the Shire's Strategic Community Plan 2017-2027.



Our People

The Shire of Broome aims to foster a community environment that is accessible, affordable, inclusive, healthy and safe. The following is a summary of progress made towards these Outcomes during 2017/18.



The Kullarri NAIDOC Festival received funding support from the Shire of Broome again in 2017/18.

1.1 Effective Communication

Community Sponsorship program

Twelve community groups received more than \$50,000 in funding through the Shire of Broome Community Sponsorship Program and Energy Developments Limited (EDL) West Kimberley Community Donations.

The variety of exciting and innovative community organisations and events to be funded included the Cacoy Doce Pares, Broome Sports Association, Pearl Coast Gymnastics, Broome North Primary School Year 6 Camp Fundraising Committee, Broome RSL, Broome Fishing Club, WA PCYC, Broome Netball, Broome Historical Society and Peninsula Bombers.

A further nine groups received a total of \$7,595.72 in ad-hoc funding to a maximum of \$1000 from the Shire, and two activities in Broome North were also funded through LandCorp's Community Building Sponsorship which is administered by the Shire.

Council also continued to sponsor and support large-scale events and long-term programs through ongoing funding agreements including the Kullari NAIDOC Festival, Kimberley Girl, Kullari Patrol, Taiji Cultural Exchange Program, Over 50s Senior Citizens Club and the Kyle Andrews Foundation Kyle's Cable Beach Walk.

Twelve community groups received more than \$50,000 in funding...



Community Engagement Framework

Officers are guided by the Shire's Community Engagement Framework in engaging with the community for major community and planning projects. The Youth and Community Development Officer continues to provide contacts and assistance in connecting with relevant stakeholder groups for each project.

A successful example of engagement was delivered as part of the Town Beach Project redevelopment detailed design. Youth agencies were invited to an open day, with the PCYC, Broome Youth and Families Hub and the broader community taking part in the interactive consultation.

Stakeholder engagement

Meetings are held each month between the Broome Shire President, Deputy Shire President and CEO and the Broome Chamber of Commerce and Industry (BCCI) President and CEO. The Shire is also progressing a Local Government Small Business Friendly initiative in collaboration with the BCCI.



Consulting the community on the Town Beach Project redevelopment.

Our People



Community tree planting at McMahon Reserve.

Shire officers continue to engage with local and external stakeholders. Officers respond and assist local groups by providing information on networks, funding opportunities and professional development. The team also provides a point of contact for external stakeholders, and assists in connecting enquiries with relevant Shire officers or groups within Broome who best align with the query.

The Shire has continued to facilitate the Broome Youth Coordinators Network which meets monthly and encourages collaborative partnerships between the sector. The work in this area is valued by the community, and assists by encouraging a coordinated and collaborative approach.

Emergent Technology

During 2017/18 the Shire commenced a project to move towards allowing ratepayers and commercial clients to conduct business with the Shire online. This project will cover several years as manual and paper processes are converted to the online platform. Additionally, the Shire has invested in the internal infrastructure to better meet the needs of ratepayers and customers. This infrastructure upgrade enables the Shire to have both internal and cloud-based systems. These upgrades will be the basis for the Shire's online delivery.

Media and Promotions

The Shire of Broome aims for the community to be informed and democratic, with ready access to information and the ability to participate in consultation.

To achieve this a wide range of channels are used to inform the community of Shire activities, services and achievements, to consult the community and seek feedback, and to provide access to

information. The Shire works proactively with print, electronic and online media outlets in Broome and further afield, both through news content and paid advertising, to keep the community and stakeholders up to date.

During 2017/18 extensive communications programs utilising advertising, newsletters, media releases, social media, direct email, open days, public information sessions and more have been implemented for projects including:

- Chinatown Revitalisation Project;
- Town Beach Project redevelopment;
- Cable Beach Master Plan;
- BRAC 1 Youth Bike Precinct;
- Community Storage Facility;
- Broome Growth Plan;
- Civil works inc. Hamersley St – Napier Tce intersection and Hunter St upgrades;
- Economic, Events and Tourism Development Funding Program;
- Community Sponsorship Grants Program;
- Local Government elections;

The Shire of Broome has also organised and/or promoted community and public programs and events including:

- Tropical cyclone and extreme weather events recovery;
- Broome Reconciliation Festival;
- Australia Day events inc. Community Citizen of the Year Awards;
- Australian Citizenship Ceremonies;
- National Youth Week and Youth Advisory Council;
- Broome Sport in Focus Week and Club Development Workshops;
- Local Law enforcement inc. firebreaks and fire mitigation, parking, dogs and cats;
- Events at Broome Civic Centre, BRAC and Library;
- WALGA Banners in the Terrace;
- Shire-sponsored events inc. Sorry Day, NAIDOC, Shinju Matsuri, Chinatown Christmas Party and Broome Marathon;
- Public service announcements inc. beach closures for jellyfish stings and crocodile sightings, minor and major roadworks projects and wet season road closures.



Shire of Broome communications played an important role in the extreme weather events experienced in 2017/18.

The Shire continues to use current and emerging communications technology with active and growing Facebook pages for the Shire of Broome, BRAC, Broome Civic Centre and Broome Public Library. These are updated regularly to effectively communicate information, as well as providing a forum for community members to ask questions and provide feedback. A fortnightly Shire newsletter continues to be published in the Broome Advertiser newspaper, and an email newsletter is distributed to a growing database of subscribers each month. The Shire of Broome website is updated regularly and is a reliable source of a broad range of information.

The Shire of Broome also continues to either host, or be present at, a range of forums, expos, open days and other public events as a further means of engaging with and being accessible to the community.

Shire of Broome Directory

The Shire of Broome has traditionally recognised the need to provide the community with a free and comprehensive resource containing business, community and residential contact listings, a cost-effective medium for businesses to promote their products, and important and useful community information. This has taken the form of the printed Shire of Broome Directory, distributed free of charge to the community and organisations, and more recently an additional online directory.

However with the popularity of traditional printed directories in decline, there existed a need to transition to a newer model that prioritises an online presence. The Broome Chamber of Commerce and Industry (BCCI) approached the Shire with a proposal to



take on production of the Directory from the 2019 edition and to integrate it into the '#LoveBroome' marketing campaign, with Council resolving at its May 2018 Ordinary Meeting to accept the BCCI proposal.

Our People



The Shire of Broome Youth Advisory Council.

1.2 Affordable services and initiatives to satisfy community needs

Youth Framework

Guided by the Shire of Broome's It Starts With You - Youth Framework, the Shire delivered and facilitated a range of events for local youth. The Shire's Youth and Community Development Officer, part-funded by Rio Tinto, worked closely with the Youth Advisory Council (YAC) to deliver youth projects and contribute to events including consultation at Town Beach, coordinating a calendar of events for Broome Youth Week and recruiting new YAC members.

The Broome Midnight Basketball Program was reinvigorated and returned as Late Night Ball thanks to a partnership between the PCYC, Broome Youth and Families Hub, Nyamba Buru Yawuru Ltd and the Shire. The new program will run fortnightly and has seen a positive response from young people and the broader community.

Community Development Initiatives

The Shire's Community Development team has continued to work proactively to support outcomes for the Broome community. Highlights of key initiatives delivered throughout the year include:

- A Community Weaving Project was delivered on Male Oval as part of the Broome Reconciliation Festival, utilising an evolving and interactive piece of public art to demonstrate inclusion within the community.

- Support has been provided for neighbourhood building activities, including the Car Park Feed to activate spaces, promote healthy eating and strengthen community links.
- In collaboration with the Broome Library, BRAC and Broome Civic Centre, work to strengthen and promote school holiday activities.

Sport and Recreation Plan

Broome sporting clubs and key stakeholders met with Jill Powell and Associates to review the current and future needs for sport and recreation facilities within the Shire of Broome. A 10-year plan was developed with projects prioritised on a short, medium and long-term basis. The final report will be released for public comment and feedback prior to being presented to Council to be adopted as the informing document for the development of sporting facilities in Broome into the future.

The Shire's Community Development team has continued to work proactively to support outcomes for the Broome community.



BRAC 1 Youth Bike Precinct Master Plan

Community members, young people and cycling enthusiasts worked with Shire officers and consultants to develop the master plan for the BRAC 1 Youth Bike Precinct, located between the BRAC fields and the Boulevard shopping centre. Once the draft plan was completed there was an opportunity for further public feedback prior to being adopted by Council. The content of the master plan was used as the basis for a successful grant application that will be used to construct the pump track funded by the Shire, Department of Local Government, Sport and Cultural Industries and input from several local businesses. Work in 2018/19 will include construction of security lighting, walking/running tracks and mountain bike trails around the perimeter of the site.



Basketball carnival at BRAC.

Broome Public Library

The Broome Public Library is popular with locals and visitors to Broome and currently has 8002 members. During 2017/18 more than 105,184 items and e-resources were issued, including the new video streaming service, Kanopy. In February 2018 the Library obtained E-Smart accreditation, an Australia-wide initiative to make libraries safe, smart and responsible in the digital age.

There were 4,950 people engaged with the Library for special events including author events, Corrugated Lines writers festival, Story Time, Lego Club and early literacy programs. The new Chess Club is a favourite with young families, and 22,625 visitors and residents took advantage of the wifi available at the Library.

For the first time the Live and Local Sydney Writers Festival in May 2018 was livestreamed to the Broome Public Library. The Library also hosted the travelling Lego exhibition Brick by Brick: Build Your own Capital in September and this was popular with schools and Lego Club attendees. Libraries are no longer just a place to borrow books but a vibrant part of the community where people meet, share and learn.

The Shire of Broome continues to host the Regional Activity Plan on behalf of the Kimberley and has been working with the WA Local Government Association and Public Libraries Australia to develop a vision for the future of public libraries in WA.



The popular Brick by Brick: Build Your Own Capital exhibition at Broome Public Library.

Welcoming New Citizens

The Shire of Broome conducted three Australian Citizenship Ceremonies in 2017/18 at which 41 people became Australian citizens. The participants were from countries including Thailand, Germany, South Africa, New Zealand, UK, India, Switzerland, Indonesia, the Philippines, Sweden, Taiwan, France, USA and Canada.

The new citizens pledged their loyalty to Australia in the ceremonies conducted by the Shire President or Chief Executive Officer in front of friends, family and community members. They are presented with a symbolic memento to mark the occasion. The Shire encourages people of all cultures to join the Broome community and share their heritage.



Broome welcomed 41 new Australian citizens in 2017/18.

Our People

1.3 Accessible and safe community spaces



BRAC incorporates a range of facilities to ensure access for all abilities.

Disability Access and Inclusion Plan

The Disability Services Act 1993 requires local governments in WA to develop, implement and report on a Disability Access and Inclusion Plan (DAIP). In May 2018 the Shire of Broome adopted a new DAIP to cover the period 2018 – 2023, which was endorsed by the Department of Communities – Disability.

The Shire also lodged an annual progress report regarding its success in implementing the previous DAIP (2012 – 2017). Key initiatives documented in the progress report include:

- Preparation and adoption of the new DAIP which included substantial stakeholder, community, and staff engagement.
- Construction of an accessible changing place at Broome Recreation and Aquatic Centre consisting of an accessible toilet, changing facilities and showers including a ceiling hoist and adult size change table.
- Continued participation in the Companion Card program at BRAC, with free entry for carers.
- Continued provision of access to resources in various formats at the Broome Public Library, with the addition of two new initiatives:
 - Online film streaming service Kanopy, where all films have captions and transcripts and are compatible with visual impairment technologies such as JAWA; and
 - In partnership with VisAbility, provision of a modified 'Better Beginnings' kit for parents or children with blindness or vision impairment.

- Continued implementation of the renewal works identified in the 2014 Access and Inclusion Audit, including upgrade of two accessible parking bays in Chinatown and installation of accessible drinking fountains in Shire parks.
- Installation of a variety of new accessible footpaths, upgrade of footpaths in the Cable Beach tourist precinct and in the vicinity of the Roebuck Primary School, and upgrade of paths and ramps at the Broome Visitors Centre near the caravan dump point.
- Engagement of access consultants to provide design input to the Town Beach Project and Chinatown Revitalisation Project.
- Provision of Disability Awareness Training and Equal Employment Opportunity Training to all staff.
- Completion of a critical review of the Access and Inclusion Advisory Committee and determination that greater engagement with people with disability could be achieved by liaising directly with interested stakeholders on a targeted, per-project basis. To assist in achieving this an access and inclusion stakeholder contact list was created. This was publicised during the DAIP advertising and will be made available to all Shire project managers.
- Commencement of a staff induction review, with information about access and inclusion to be included in the new induction program which will commence in 2018/19.

Safe Accommodation for Transient Populations

The Shire has continued to engage with the State Government and the community to seek input into potential solutions including positive engagement with the member local governments of the Kimberley Regional Zone to address linked issues leading to transience across the region. The Shire was pleased to see the Broome Short Stay Accommodation Project nearing completion.



New accessible changing place under construction at BRAC.



The Broome Civic Centre continued to present a dynamic program of shows and events in 2017/18.

1.4 Participation in recreational and leisure activities for Broome and the North West Region

Broome Civic Centre

The Broome Civic Centre is the Shire's premier performing arts and events facility. In the past year it was utilised as a venue for a variety of hires by not-for-profit organisations, private functions, community organisations and commercial entities. Hires were for a range of activities including balls, meetings, seminars and art awards.

Marketing plans were executed for Civic Centre programs throughout the year to ensure maximum exposure of programmed events. The program of live shows drew 2900 paying audience members to the Civic Centre. Development of audiences was supported by a Lotterywest Audience Engagement Grant, providing the opportunity to develop a program offering diversity to further meet the needs of the Broome community.

The Broome Civic Centre delivered a large and diverse program of live shows in 2017/18 including:

- Marty's Party;
- Last Cab to Darwin;
- Mardi Gras Cabaret;
- Lighthouse Girl;
- Loose Ends;
- The Grinch;
- Marrugeku;
- Kimberley Fine Art Exhibition;
- Comedy Gold;
- Melbourne Comedy Festival.

Beach Lifeguard Services

Surf Life Saving WA continued to provide beach supervision at Cable Beach over the dry season (Good Friday to the end of October). During that time, statistics recorded by lifeguards included:

- 134,474 people attended Cable Beach in the flagged bathing area;
- Lifeguards attended to one major first aid incident and 227 minor first aid incidents including minor stings and splinters;
- Lifeguards provided advice on 1041 preventative actions including direction to swim between the flags, board riders to use appropriate areas, advice on rips and currents, redirecting vehicles and littering;
- Nine swimmers were rescued between the flags;
- Lifeguards closed the beach 10 times for reasons including crocodiles, stingers, sharks and thick fog.



The BRAC 2 Beach Fun Run proved popular again in 2017.

Our People

Sport and Recreation

BRAC and the Shire's sports facilities hosted a number of regional sporting events as Broome continued to be the sporting hub of the Kimberley region including:

- The Broome Squash Club hosted the North West Invitational at the BRAC squash courts with players coming from across the North West;
- The Broome Basketball Association hosted the Kimberley Regional Basketball Carnival at BRAC over five days of junior and senior competition;
- The West Kimberley Football League played their grand final at Haynes Oval between the Derby Tigers and Broome Bulls;
- The Broome Netball, Cricket, Basketball, Soccer and Touch Associations held their grand finals on Shire facilities;
- The Kimberley Cup brought schools together at BRAC for four days of multi-sport competition;
- SciTech took over the BRAC stadium for regional schools to get involved in learning and scientific fun;
- Peak sporting bodies visited BRAC including Netball WA, Basketball WA, WA Cricket Association, Perth Scorchers and the Fremantle Dockers Football Club among others.

Statistics for BRAC in 2017/18

- 38,733 pool entries;
- 7052 people undertake group fitness classes (wet and dry);
- 5873 swimming lessons attended;
- 243 Dash 'n' Splash entries;
- 117 entries in the BRAC 2 Beach Fun Run.

Statistics for Club Development in 2017/18

- Annual Club Development Survey Report – a detailed report formulated through the data provided from 43 clubs who responded to the survey;
- 213 KidSport vouchers expended to the value of \$22,590;
- 90 sports club volunteers from 32 different clubs attended the Club Development Workshop Series.

Irrigation

The Shire has advised and continued to lobby for the continued use of treated effluent for irrigation purposes. Haynes Oval, BRAC ovals, the golf course and St Mary's Oval are all reticulated from this re-use supply. From an operating cost point of view it is critical access be continued to this supply.



A new Floorball competition made its debut at BRAC in 2017/18.



Kimberley MLA Hon. Josie Farrer announces Lotterywest funding for the Town Beach Project.

Town Beach Project

Town Beach is a significant location for Broome people and for visitors to the town, with an important role in recreation, culture and heritage. Viewing the Staircase to the Moon draws thousands of visitors each year, the children's water park and playground is highly popular, night markets attract large crowds, and in addition is the heritage and history of Indigenous culture, Pioneer Cemetery, old jetty site, Catalina Flying Boat wrecks and the Broome Historical Society Museum.

The Town Beach Project will build on these existing strengths and attractions with a range of sub-projects to enhance the experience for our community and our visitors. Additionally, the Town Beach Project will address the significant environmental threat to the continued safe use of this area posed by the eroding pindan cliffs.

This project includes:

- Construction of a coastal rock revetment seawall to prevent further erosion of the pindan cliffs;
- Expansion of the green space areas including a new nature play and youth space;
- Creation of a new market space;
- Expansion and upgrade of the water play space;
- Construction of an internal road, car parking and boat trailer parking;
- \$2.8 million has been secured from Lotterywest for this project and \$6.7 million from the State Government through the Department of Transport.

Rock Revetment Seawall

Concern has increased regarding the environmental and safety threat posed by the continuing erosion of the near-vertical pindan cliffs immediately north of Town Beach. The erosion is also threatening the Pioneer Cemetery and an Aboriginal midden. It was identified that a rock revetment seawall was required to physically constrain further erosion of the cliffs and therefore provide protection to this valuable public land.

Shire of Broome therefore engaged specialist coastal engineers MP Rogers & Associates to complete the design of the revetment for the area between Town Beach and Catalinas. As part of the revetment design, it is also intended that a more formal viewing area be provided for the Stairway to the Moon. The project also includes walkways and lighting which will tie into the Town Beach Project redevelopment.

Construction of the rock revetment seawall will be undertaken in 2018/19 with funding from the WA Department of Transport.

The Town Beach Project will build on these existing strengths and attractions with a range of sub-projects to enhance the experience ...

Our People

1.5 A healthy and safe environment



Considerable repair work was undertaken around the Shire following the extreme weather events in 2017/18.

2017/18 Wet Season

The Shire of Broome experienced four significant weather events during the 2017/18 Wet Season:

- Cyclone Hilda impacted the Shire on 27 December 2018 causing damage to Shire infrastructure including roads, drainage, shade sails, vehicles, trees on road verges and in parks and the Cable Beach vehicle access. A number of unsealed roads and the Shire's Waste Management Facility were closed as a result of the cyclone.
- Cyclone Joyce impacted the Shire on 10-11 January 2018 but caused limited further damage to Shire assets, however the extent of damage was difficult to determine as clean up and repairs following Cyclone Hilda were still ongoing. The Broome Recreation and Aquatic Centre was activated as Broome's welfare centre for 48 hours during Cyclone Joyce.
- A tropical low impacted the Shire on 29 January 2018 causing extensive damage to roads, drainage, the Cable Beach vehicle access, water mains, vehicles and fences. A number of trees were damaged and vegetation destroyed. There was extensive damage to the Short St roundabout in Chinatown, water damage to a number of Shire facilities, significant erosion at Demco and significant damage to Cape Leveque Rd and Manari Rd. While this weather event was not classified as a cyclone, the extent of damage from the strong winds and heavy rainfall from the tropical low resulted in the Local Recovery Coordination Group being activated in accordance with the Shire's Local Emergency Management Arrangements.

- Cyclone Kelvin impacted the Shire on 17-18 February 2018 and exacerbated damage to Shire infrastructure caused by the three previous weather events. Roads, drainage and the Cable Beach vehicle access were subject to further damage and the erosion at the Demco Reserve worsened.

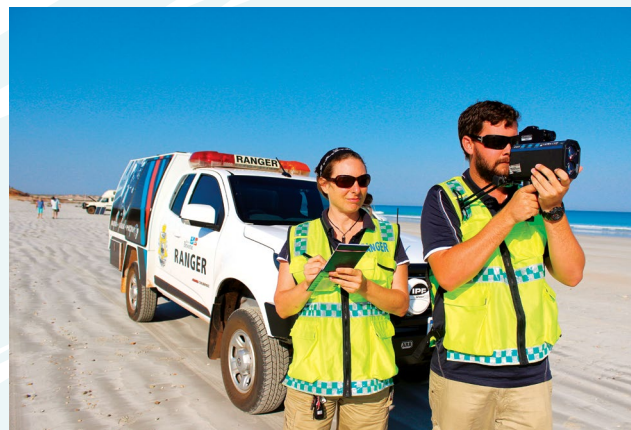
Each of these events was grouped into a single WA Natural Disaster Relief and Recovery Arrangements (WANDRRA) proclamation as an eligible natural disaster event. The total amount of the WANDRRA funding claim as at 30 June 2018 was \$3,747,801.

Ranger Services

Ranger Services is responsible for the administration and enforcement of Acts and Local Laws including:

- Dog Act 1976;
- Dog Local Law 2012;
- Litter Act 1979;
- Bush Fires Act 1954;
- Caravan & Camping Grounds Act 1995;
- Control of Vehicles (Off Road Areas) Act 1978;
- Local Government Act 1995;
- Local Government (Miscellaneous Provisions) Act 1960;
- Various Local Laws.

The Shire of Broome employs four full time Rangers and a Ranger Coordinator to provide coverage seven days a week for 12 hours on weekdays (6am to 6pm) and eight hours across a 10-hour period (7am to 5pm) on weekends. Rangers processed 1255 customer service requests and 1022 items of correspondence. Additional unrecorded tasks included providing advice and information to the public.



Rangers have worked hard to ensure community safety in 2017/18 including monitoring speeding on Cable Beach.

In 2017/18 Rangers worked towards improving community education and compliance. A key focus of this has been adjustments to procedures, specifically the processes associated with the investigation and documentation of alleged offences. Quality operational equipment and training is critically important and improvements in 2017/18 included replacing the vehicular animal "pods", with one vehicle upgraded and a second due in early 2018/19. Rangers completed a Fire Control Officer Course with DFES in 2017/18. This course further developed the skills and knowledge of Rangers with respect to the Shire's Bushfire Mitigation Program enabling staff to improve upon past programs.

Animal Control

In 2017/18 Rangers investigated 124 dog attacks varying in severity from rushes to extensive injuries and hospitalisation. To improve community compliance, Rangers focused on reducing the overall level of unregistered, improperly contained and unleashed dogs. Rangers continued to build effective partnerships with organisations including Nirrumbuk Aboriginal Corporation and SAFE.

Early morning operations are ongoing and have resulted in 10 or more unregistered dogs being captured while wandering at large. Overall 397 dogs were impounded for the year.

Responsible cat ownership has been targeted through mandatory registration, microchipping and capture of 168 cats. The captures were mainly achieved using traps. The traps are often placed on private property in response to complaints by residents.

Parking

The regulation of parking remains a key focus of Rangers. Accordingly, 416 infringements and 196 warnings were issued.

Bushfire

Ensuring property owners complied with the Bush Fires Act 1954 was a priority for Rangers. Bushfire management for all Shire reserves has been reviewed and measures put in place for ongoing hazard reduction. Fire break inspections in key rural areas have been conducted for the second year by Rangers. The iAuditor Inspection Reporting Program has been introduced as a reporting tool to enable greater transparency and a sharing of information with property owners.

There were 682 properties inspected and Rangers continue to work with property owners to maximise community safety.

Rangers have continued to develop and maintain key partnerships with organisations and State Government agencies such as Yawuru, Department of Fire and Emergency Services and the Department of Biodiversity, Conservation and Attractions.

New Broome Volunteer Bushfire Brigade Station

In 2017/18, Shire officers worked with Department of Lands and the Department of Fire and Emergency Services to identify

a suitable site for the new Broome Volunteer Bushfire Brigade Station within Broome. A site in Wattle Dve was identified with an anticipated construction commencement date of March 2019.



Fire breaks and fire mitigation was a strong focus for the Shire in 2017/18.

Local Planning Policies

Local Planning Policies (LPPs) perform an important role to guide development within the Shire of Broome. This year amendments were adopted for LPP 5.14 Public Consultation – Planning Matters and LPP 5.22 Structure Plan and Subdivision Standards.

Following adoption of the Coastal Hazard Risk Management Adaptation Plan (CHRMAP) in September 2017 and Amendment No 5 to Local Planning Scheme No 6 (LPS6) – Coastal Hazard Risk Special Control Area, the Shire has drafted a Coastal Planning Policy. The draft Coastal Planning Policy will provide guidance on how proposals for development will be assessed and determined for each of the nine coastal compartments identified in the CHRMAP. The Policy will outline development controls for land subject to coastal inundation and coastal erosion. It is anticipated that the draft Coastal Planning Policy will be presented to Council for adoption for the purposes of seeking public comment early in the next financial year.

Our People

Public Health

The phasing in of the Public Health Act 2016 (WA) continued through 2017/18. This new Act applies a risk-based approach to public health management and environmental health services. It also brings with it the need for State and Local Government public health plans. The other major health reform, the enactment of the Health Services Act 2016 (WA) assigns the WA Department of Health including the Public Health Division as the system manager for the health system as a whole. The Department of Health has commenced a series of reviews into legislation, regulation and existing guidance materials associated with the new Public Health Act. Health officers have had to keep abreast of these changes and apply the reforms in environmental health practice.

The development of Public Health Plans will rely on further guidance being provided by the Department of Health on criteria for these plans. The requirement to have a Public Health Plan will not come into effect until the commencement of Stages 4 and 5 of the implementation of the Act. This is expected to occur from 2019. The Department released its Interim Public Health Plan in July 2017. The Shire has allocated resources for this important planning in the Corporate Business Plan 2018-2022.

Environmental Health

The Shire's Environmental Health Officers (EHOs) monitor the environment, both natural and built, to promote, protect and maintain the health and wellbeing of people in our communities while optimising the protection of the environment.

The Shire employs two EHOs, a part time technical officer and a coordinator to meet its requirements under relevant legislation. An essential part of the EHOs' work is to carry out routine auditing and inspections of registered premises under the relevant legislation with a frequency determined by risk category.

The Shire has currently:

- 10 registered high risk food premises;
- 253 registered medium risk food premises;
- 23 registered low risk food premises;
- 88 registered very low risk food premises;
- 54 public buildings;
- 21 caravan parks;
- 10 lodging houses;
- 1073 pools and 88 aquatic facilities;
- 12 hairdressing premises;
- 17 beauty therapy and/or skin penetration premises;
- 22 drinking water sites;
- 3 water reuse sites; and
- 15 trading licences.

Along with inspections and regulatory requirements for registered premises, EHOs assess applications and conduct inspections for:

- Onsite waste water disposal;
- Events;
- Development;
- Building; and
- Trading licences.



Larvicide applied to standing water is just one of the techniques applied to control mosquitoes in the Shire of Broome.



Frangipani trees removed from Hamersley St relocated to Sanctuary Rd.

In addition to the monitoring of health premises, health staff are responsible for responding to and investigating infectious and communicable disease reports for food related illnesses and mosquito borne viruses, noise and other nuisance complaints, water quality issues including aquatic facilities, drinking water bores, recreational water and reuse water, air quality issues and pollution, contaminated land, and health concerns associated with housing and accommodation.

Environmental Health Services in Aboriginal Communities

Health advice to Aboriginal communities was maintained by Shire of Broome Environmental Health Services, with routine visits to inspect food premises and other services including onsite waste water disposal, drinking water testing, accommodation services and other health-related issues outside the Broome town site. In addition, the Department of Health continues to contract Nurrumbuk Aboriginal Corporation to deliver environmental health services to communities outside the Broome town site within the Shire boundaries.

The Shire continues to work closely with relevant organisations and stakeholders of communities to maintain health standards consistent with the Public Health Act 2016, Health (Miscellaneous Provisions) Act 1911 within the town-based reserves. Work continues with relevant organisations and the community in Mallingbarr to address poor housing and living conditions.

Mosquito Management Strategy

In 2017/18, Shire of Broome EHOs continued to implement the Mosquito Management Strategy. As part of the strategy, EHOs use a sentinel chicken flock to detect diseases including Murray Valley Encephalitis and Kunjin. The sentinel chicken program is combined with fortnightly mosquito trapping activities at designated sites during the wet season to monitor mosquito numbers across the Broome town site along with identifying the dominant species of mosquito. The 2017/18 wet season was exceptional with high rainfall associated with three tropical cyclones (Hilda, Joyce and Kelvin), and a tropical low. This resulted in high mosquito numbers from February to April with one mosquito trap collecting an estimated 58,000 mosquitoes in one 10-hour period.

... with one mosquito trap collecting an estimated 58,000 mosquitoes in one 10-hour period.

Our People

Over the wet season monitoring period most of the capture comprised *Aedes vigilax* (summer saltmarsh mosquito) and *Culex Annulirostris* (common banded mosquito). *Aedes vigilax* can transmit Ross River Virus (RRV) and Barmah Forest Virus (BFV). *Culex Annulirostris* is the principal vector (transmitter) for Murray Valley Encephalitis (MVEV) and Kunjin Virus (WNVKUN). There is no cure or vaccine for these viruses and so control of mosquitoes and protection from mosquito bites are the mainstay of prevention. However, elimination of mosquitoes is not realistically achievable and in fact may not be desirable given their other roles in the ecosystem – as food for other animals and as plant pollinators.

EHOs took proactive measures to reduce the number of mosquito larvae breeding in freshwater reservoirs on Shire-managed land, including treating pooling water, water reuse tanks and Shire-managed buildings by applying larvicide to prevent adult mosquitoes developing.

When adult mosquitoes reach high numbers and become a significant nuisance and cause of complaints, the Shire conducts fogging to reduce adult mosquito numbers. This program was based on previous experience which suggests that fogging may provide localised relief from high mosquito numbers.

The main sources of funding for the Shire mosquito program are the State Government Funding Initiatives for Mosquito Management in WA and Continuous Local Authority Group funding. These programs have facilitated the purchase of equipment such as misters and microscopes along with enabling the repair of mosquito traps. During the wet season, the mitigation of mosquitoes requires considerable staff time and material resources that need to be balanced with other environmental health priorities. The Shire continued to promote the "Fight the Bite" message, which is a grant-funded program that included disseminating promotional material such as bottles of repellent and brochures promoting mosquito protection strategies. Advertising through radio, print and social media were also used to engage the community and increase awareness of the three main thrusts of mosquito control.

The EHOs maintained close relationships with neighbouring Shires and the Department of Health through the season to ensure the management strategies applied were consistent and would provide the best possible outcomes. Following last year's review, the Department of Health supports the Shire's Mosquito Management Strategy.

Community Safety Plan

The Shire has reviewed the terms of reference for the Broome Liquor Accord and engaged with interested licensees and community agencies to strengthen the group. As Secretariat for the Kimberley Regional Group, the Shire of Broome has led the development of a regional approach to the management of alcohol which will be submitted to the State Government and Department of Racing, Gaming and Liquor for consideration during the review of liquor restrictions.

Urban Renewal

In 2017, the Shire worked with the Department of Communities (Housing) on an Urban Renewal Strategy for Old Broome. Following extensive community engagement through a Community Stakeholder Reference Group and focus groups, a draft strategy was prepared in August 2017. This strategy included a range of actions including community development initiatives, infrastructure upgrades and urban planning activities. The strategy is in the process of being considered by the Department of Communities.

Local Planning Review

In 2017/18 amendments were made to Local Planning Policy (LPP) 5.14 Public Consultation – Planning Matters and LPP 5.22 Structure Plan and Subdivision Standards. Preparations were made in 2017/18 for the upcoming full review of the Shire's Local Planning Framework, to commence in the second half of 2018.

the Shire of Broome  has led the development of a regional approach to the management of alcohol which will be submitted to the State Government and Department of Racing, Gaming and Liquor.

The Shire of Broome aims to help protect the natural and built environment and cultural heritage of Broome. The following is a summary of progress made towards these Outcomes during 2017/18.

2.1 Realistic and sustainable land use strategies for the Shire within the state and national frameworks and in consultation with the community



The Chinatown Revitalisation Project is working to activate Broome's cultural, historical and commercial centre.

Chinatown Revitalisation Project

The State Government through Royalties for Regions has invested \$10 million to undertake detailed feasibility studies and deliver transformational projects reinforcing Chinatown as the cultural, historical and commercial centre of Broome. Additionally the Shire of Broome has committed \$2 million and Tourism WA \$700,000 which brings the total project budget to \$12.7 million. Funding will be spent on projects that improve the aesthetics, comfort and functionality of Chinatown as a place to socialise and do business, along with investigating the feasibility of more significant projects to strengthen Chinatown in the longer term. There has been major progress in the 2017/18 year.

- Chinatown Stakeholder and Community Reference Group

The Chinatown Stakeholder and Community Reference Group was established by Council and has generally met monthly to provide input and feedback to the Project Control Group and Council on the revitalisation of Chinatown, to ensure the community and key stakeholders are appropriately engaged in the design and delivery of projects, and to act as a conduit between the Project Working Group and the community, traders and landowners in Chinatown.

- Chinatown Investment and Development Coordinator

Chinatown Investment and Development Coordinator (CIDC) is one of the 10 Chinatown Revitalisation sub projects focused on creating more activity, events and private investment in Chinatown during the project and paving the way for the future Place Management in Chinatown. The roles and responsibilities can be split into the following four functions.

1. Community & Trader Engagement;
2. Grants Coordination;
3. CIDC Led Initiatives;
4. Administration.

Key project highlights for 2017/18 include:

- Betty's Frock Shop Refurbishment: Grant project to recreate a facade for the Betty's Frock Shop storefront that is more in keeping with the traditional Asiatic heritage of Chinatown.
- TB Ellies Store Refurbishment Artwork: Grant project to create an open artwork to marry in with T.B Ellies history on the newly refurbished T.B Ellies Store.
- Sun Pictures 100 Year Anniversary Plaques: Grant project was to design and construct interpretive pavement plaques to inform visitors of the age and importance of Sun Pictures.
- Tales of the Terrace: Historic tours related to Dampier Tce's pearling past coinciding with Late Night Trading to increase event offerings.
- Sand Sculpture WA: Sand sculptures were created by artists at Streeter's Jetty, and including workshops and a sand castle competition at Cable Beach.
- Friday Late Night Trading: 'Paint the Town Red' late night trading took place on eight evenings in 2017/18 and was well attended by Broome community. CIDC role involved organising local street performers, musicians and local performance art groups, event lighting, street food vendors and promotions.

Activation of the Chinatown CBD is critical post construction to ensure the project remains successful into the future. The Project Steering Committee has committed to fund the project up to at least 30 June 2019, subject to Council providing in principal support for the position continuing post this time.

Our Place

It is believed a general Place Making role could build on the capacity of existing staff resources to focus on improved activation of Broome's precincts into the future.

- Capital Construction Projects

There has been significant progress in 2017/18 on the detailed design and construction documentation to transform the streetscapes and other elements to revitalise Chinatown. The draft Chinatown Master Plan was developed following extensive consultation with Chinatown traders, landowners and other key stakeholders, and was released for public comment for 21 days in October 2017 following endorsement by Council. Overall the Master Plan was well received and the number of public submissions demonstrated strong community interest with comments/suggestions informing the detailed design. No significant amendments were required and the Master Plan was endorsed by Council on 14 December 2017.

A Draft Chinatown Public Art and Interpretation Strategy was also presented to Council on 14 December 2017. The development of this Strategy reflects the previous direction provided by the Arts, Culture and Heritage Advisory Committee and Council in incorporating public art, heritage values and multiculturalism into the Chinatown Revitalisation Project. The Strategy was endorsed by Council for public comment in February 2018.

Detailed designs for upgrading the Carnarvon St and Dampier Tce streetscapes were completed in June 2018 and a Request for Quote process undertaken via WALGA preferred supplier panel, closing on 17 July 2018. Following evaluation, negotiation and award of contract, works are expected to start on ground in October 2018.

Construction of the Roebuck Bay Lookout sub project started in June 2018 after designs were completed in February 2018 and a procurement process was undertaken resulting in the contract being awarded to Roadline Civil. Engagement has also progressed with Yawuru and Broome Senior High School to incorporate public art and interpretation into the Lookout structure.

- Feasibility Projects

The Kimberley Centre for Culture, Art and Story (KCCAS) Project continued through 2017/18. The KCCAS Working Group has worked with the consultant team to develop a Feasibility Study and Business Case, expected to be completed by August 2018. The KCCAS Working Group includes Yawuru, Shire of Broome, Kimberley Development Commission, LandCorp, Tourism WA and the WA Museum.

Fatal flaw analysis was completed on the feasibility projects for the Gray St Extension and the Roebuck Bay Reconnection, with fatal flaws identified in both projects. This was conveyed to Council at the 28 September 2017 OMC. A decision was made to not proceed with either project beyond conceptual design and recoup funding for reallocation into streetscape enhancement projects.

Amendments to Local Planning Scheme 6

In 2017/18 the Shire of Broome considered the following scheme amendments:

- Amendment No 2 – Development Contribution Plan – This amendment is for the establishment of a Development Contribution Area (DCA) and preparation of a Development Contribution Plan (DCP) for new residential subdivisions in Broome. This will enable Local Government to seek monetary contributions from land developers for community and standard infrastructure items that are required to support the orderly development of an area. The amendment was advertised for public comment and was adopted by Council at the September 2017 Ordinary Meeting. The amendment has been forwarded to the Department of Planning, Lands and Heritage for review and is currently under consideration.
- Amendment No 3 – Additional Use Health and Wellbeing Retreat Lot 222 Lullfitz Dve. This amendment proposed an additional use, being a health and wellbeing retreat, to be undertaken on the property. This amendment was gazetted in November 2017.
- Amendment No 5 – Coastal Hazard Risk Special Control Area. This amendment proposes the introduction of a 'Coastal Hazard Risk' Special Control Area (SCA) into the Scheme Maps to identify areas within Broome town site that are considered to be at risk of coastal hazards over a timeframe of 100 years in accordance with State Planning Policy 2.6. The Shire was advised by the Minister for Planning that the amendment required modifications. The modifications were advertised for public comment and the amendment will be presented to Council for adoption of the modifications early in the new financial year.
- Amendment No 6 – Additional Use Zoological Gardens, Lot 302 Fairway Dve - The 'Additional Use' will facilitate the development of 'Zoological Gardens' land use to allow for ancillary tourist activities in addition to the site's predominant use to pen and graze camels associated with the camel tours on Cable Beach. This amendment was gazetted in November 2017.
- Amendment No 7 – Omnibus Amendment to Local Planning Scheme No 6 (LPS6) – This amendment proposed a number of changes to the Scheme Text and Scheme Maps, aiming

to correct anomalies and ensure that the Scheme Text and Scheme Maps are appropriately updated to align both with LPS6, the adopted strategic planning framework and the Planning and Development (Local Planning Schemes) Regulations 2015. The amendment also introduced a number of improvements to the LPS6, including exempting agricultural-intensive land uses from the need to obtain development approval in the General Agriculture zone, review of the parking ratios and car parking standards and so on. This amendment was gazetted in April 2018.

- Amendment No 8 – Additional Use Transport Depot Lot 2 Broome Rd - This amendment proposes an additional use of Transport Depot on the subject site. This amendment was advertised for public comment and was adopted by Council. The amendment has been forwarded to the Department of Planning, Lands and Heritage for review.

Local Commercial Strategy

The Shire's Local Commercial Strategy (LCS) was originally prepared in 2007 and was in need of review to consider updates to the local planning framework, including the Local Planning Strategy, development strategies for Old Broome, Chinatown and Cable Beach, and District and Local Development Plans for Broome North. The review of the LCS is one of the actions identified in the Shire's Corporate Business Plan 2017-2021. Importantly, the updated LCS will be an informing strategy as it will inform the upcoming review of the Shire's Local Planning Strategy (Strategy) and Local Planning Scheme No.6 (LPS6) which is scheduled to occur over the 2018/19 and 2019/20 financial years.

The LCS was advertised for public comment between August and September 2017 and was adopted by Council at the October 2017 Ordinary Meeting.

2.2 A built environment that reflects tropical climate design principles and the Broome vernacular

Cable Beach Foreshore Master Plan

The Cable Beach Foreshore Master Plan provides a blueprint for future development of the iconic beach foreshore and will be used as a tool to facilitate investment in community infrastructure through municipal funds, grants and public-private partnerships. The Master Plan considers in greater detail the concept designs that formed part of the Cable Beach Development Strategy (2016).

The Foreshore Master Plan was presented to the community for input between July and August 2017. The public comments were considered at the October 2017 Ordinary Meeting of Council where the Master Plan was adopted.



The Cable Beach Foreshore Master Plan was recognised with a commendation at the 2017 Planning Institute of Australia WA Awards for Planning Excellence.

The Master Plan has been recognised with a commendation at the 2017 Planning Institute of Australia WA Awards for Planning Excellence. The Planning Institute says the Master Plan "proposes a visionary transformation of the Cable Beach Foreshore area with the aim of reinforcing this iconic beach as one of the world's finest. The project represents the successful integration of both thorough participatory process and compelling design work."

2.3 A natural environment for the benefit and enjoyment of current and future generations

Coastal Hazard Risk Management and Adaptation Planning

In June 2016 Council received a Coastal Vulnerability Study for the Broome town site that identified that portions of the townsite are at risk of coastal inundation and coastal erosion in the period to 2110. Building on this, the Shire developed a Coastal Hazard Risk Management and Adaptation Plan (CHRMAP) to systematically identify and understand coastal hazard risks and put in place controls to manage them in association with the affected communities and stakeholders. The final draft CHRMAP was adopted by Council at the September 2017 Ordinary Meeting and is integral in informing the Shire's planning processes and responses to future coastal impacts.

Our Place

State Reforms

In the past year a number of reforms/amendments have been foreshadowed and comments have been provided by the Shire including:

- Third Party Appeal Rights – WALGA prepared a discussion paper and requested Councils to consider the merits of introducing third party appeals rights for decisions made by Development Assessment Panels. The Shire response was prepared and considered by Council at the February 2018 Ordinary Meeting;
- Aboriginal Heritage Act 1972 Review – In March 2018 the Minister for Aboriginal Affairs announced a review of the Act. A consultation paper was released which foreshadows a three-phase public consultation process. The first round of the consultation sought feedback from stakeholders on five broad topics including what should be protected under the Act, who should be consulted, roles and responsibilities, the Section 18 process and compliance and enforcement. A response was prepared and was adopted at the May 2018 Ordinary Meeting of Council;
- Planning Reform Green Paper – the Minister for Planning has commissioned an independent review of the planning system to identify ways to make it more efficient, open and understandable to everyone. A Green Paper was released for review and comment late in the financial year and the responses received will inform the Government's response and the development of a White Paper. The Green Paper will be reviewed and comments will be presented to Council for consideration early in 2018/19.

Development Determinations

Planning Services assessed and determined the following:

- 74 x Development Applications;
- 21 x Public Works referrals;

- 4 x Section 40 Liquor Applications; and
- 21 x Subdivision/Amalgamation Applications.

The total value of Development Applications approved in 2017/18 was \$14 million which is a 45 per cent reduction from the previous year. The reason for the decline in estimated value is attributed to:

- A slow-down in development activity in the Shire;
- The Department of Communities not seeking development approval for public work activities in the Shire; and
- The reduction in the amount of Development Applications received due to the exemptions created through amendments to LPS6.

One continued improvement relates to the average processing times for development applications. The average processing time for Development Applications in 2013/14 was 69 days; this decreased to 31 days in 2014/15; 22 days in 2015/16; 19 days in 2016/17; and in 2017/18 the average time was 18 days.

Coastal Park Governance

The Shire is a member of the Yawuru Park Council (YPC) along with the Yawuru Prescribed Body Corporate (Yawuru) and the Department of Biodiversity, Conservation and Attractions (DBCA). In 2017/18 the YPC Working Group has worked on management plans for the In-Town Conservation Estate and Intertidal Zone.

In 2016/17 the draft Minyirr Buru (In-Town) Management Plan was endorsed by Council and the YPC for public consultation. The plan was released for comment with minor amendments being made before being endorsed by the YPC on 20 December 2017.

The Gunyian Buru (Intertidal Zone) Plan is still being worked on and is expected to be presented to the YPC for endorsement in the second half of 2018. The YPC Working Group finalised the Yawuru Conservation Estate Recreation Master Plan which was endorsed by the YPC on 23 May 2018.



Upgrades to the Crab Ck road under construction.

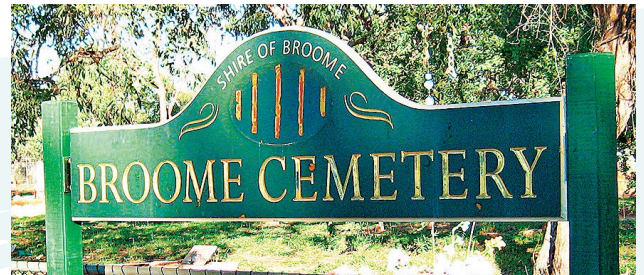
2.4 A preserved historical and cultural heritage of Broome

Broome Cemetery

The Broome Cemetery has been in operation since the late 1890s and is of significant historical interest to locals and visitors to Broome.

The Cemetery database is continually being updated with photos and information which will provide a reference for future years and assist with the ever-increasing number of genealogy requests.

There were 33 burials and 1 interment of ashes at the Broome Cemetery in 2017/18.



Broome Cemetery

2.5 Retention and expansion of Broome's iconic tourism assets and reputation



The Shire of Broome presented the inaugural Broome Reconciliation Festival in June 2018.

Our Place

Events Development

The continued growth of the events industry in Broome made for a busy 12 months with 203 event applications processed, with the peak months being August to September 2017 and April to June 2018. Significant progress has been made in implementing strategies of the Events Attraction Strategic Development Plan. The Events Policy has been reviewed to streamline the application process and event permit application forms are in the process of being reviewed to reduce the amount of work required by applicants. Guidelines have been developed to assist event organisers in planning and delivering their events.

A review of the Tourism Administration Policy was undertaken in 2017 with the intent of ensuring the policy was still appropriate to support visitor servicing and destination marketing. The policy was amended to allocate some funds to the Events, Economic and Tourism Development funding program.

The Broome Visitor Centre was awarded funds for visitor servicing, and Australia's North West Tourism for destination marketing.

A new funding stream was implemented in 2018 to encourage events, economic and tourism development. Through this funding, the following organisations were provided support for projects to benefit the local community and economy:

- Ardyaloon Inc.;
- Broome Bowling Club;
- Broome Chamber of Commerce and Industry;
- Broome Fishing Club;
- Broome Turf Club;
- Cable Beach Polo Pty Ltd;
- Fat Bike Championship Inc.;
- Fit Events;
- Saltwater Country;
- Shinju Matsuri.

The annual Australia Day community event was held in January 2018, with 11 different community groups participating, resulting in a successful family friendly event.

The inaugural Mardi Gras Cabaret event was delivered in March 2018 in partnership with Broome Pride.

An inaugural Broome Reconciliation Festival was successfully delivered on 1 June 2018 and attracted attendees from across the community including remote communities. The Shire partnered with Yawuru and Healthway to deliver the event, with nine community groups also participating.

The Shire also provided funding and in-kind support to Broome's much-loved Shinju Matsuri Festival in 2017. Further support was provided by the Shire for a range of significant events on the Broome events calendar including:

- Chinatown Christmas Party;
- Kyle Andrews Cable Beach Walk;
- Staircase to the Moon Night Markets;
- Master Builders Awards; and
- Kullarri NAIDOC Festival.

Civic Events

As part of fostering pride and harmony in our community, the Shire of Broome hosts a variety of civic events and ceremonies. In 2017/18 these included Australia Day community events and Community Citizen of the Year Awards; Australian Citizenship Ceremonies; and Civic Receptions to welcome Australian Prime Minister Hon. Malcolm Turnbull MP; WA Governor Her Excellency Hon. Kerry Sanderson AC; exchange students and dignitaries from Broome's Sister City of Taiji in Japan; and to farewell long-serving Broome Senior High School Principal, Saeed Amin.

As part of fostering pride and harmony in our community, the Shire of Broome hosts a variety of civic events and ceremonies.

Taiji Sister City Delegation



Three Shire Councillors visited Broome's Japanese Sister City of Taiji with exchange students from St Mary's College in April 2018.

The Sister City agreement between Broome and Taiji was signed on 7 May 1981 and is based on historical links going back almost 150 years. Pearling has historically been Broome's defining industry and was established in 1866. Taiji was a whaling town, but a disaster in 1878 that killed 130 men decimated the industry and many were forced to head elsewhere for work. Many Taiji men were skilled divers and found their way to Broome where they and other Japanese divers became the mainstay of the pearling industry. The legacy of the Japanese community in Broome is evident to this day.

In April 2018 a delegation of three Shire of Broome Councillors visited Taiji to strengthen the historical relationship between the two towns by keeping alive the shared knowledge of each town's history and culture, and by creating personal connections between Councillors and Taiji's local government and community.

Councillors gained insight into some significant historical influences on Broome and experienced firsthand the Japanese culture of those Taiji people who were integral to establishing the pearling industry that plays such a significant role in Broome's economy to this day. These shared interests in tourism and pearling also provided opportunities for mutual exchange of knowledge and advice.

Councillors accompanied a group of nine students and three staff from St Mary's College (SMC) who were part of an annual student exchange program with Taiji that took place for the 11th year in 2018. By accompanying the SMC students in Japan, Councillors forged relationships and gained a better understanding of Broome's young people and future leaders.

Councillors gained insight into some significant historical influences on Broome and experienced firsthand the Japanese culture of those Taiji people who were integral to establishing the pearling industry.

Singapore Flights Trial

Following a request from the Broome International Airport and Australia's North West, the Shire of Broome committed to underwriting a portion of a Singapore to Broome flight trial in May and June of 2018. An ongoing flight connection has the potential to provide significant benefits to the growth of the Broome tourism industry by way of exposure to a cohort of international tourists from the Asian market and flow-on benefits for the economic development of the region.

Based on the success of the trial, Broome stakeholders have continued discussions with SilkAir and signs are positive for further trials to establish the level of demand and support to establish a permanent service. Based on the number of tickets sold, the Shire's contribution was \$57,656.



The Shire of Broome was a partner in trialling flights between Broome and Singapore in 2017/18.

Our Place

2.6 Core asset management to optimise the Shire's infrastructure while minimising lifecycle costs



Considerable repair work was undertaken around the Shire following the extreme weather events in 2017/18.

Asset Management Plans

Council adopted the Asset Management Plan in December 2017. This plan ensures there is a long term, sustainable and coordinated approach to maintaining the Shire's assets. Maintenance and operational activities have been implemented throughout the year. The extreme weather events in late 2017 and early 2018 impacted scheduled programs, however rectification works were completed as a priority.



Work is underway on a major upgrade of the Hamersley St – Napier Tce intersection.

Shire Road and Asset Renewal

A major upgrade of the intersection of Hamersley St and Napier Tce is underway with completion expected in mid-September 2018. The intersection is a traffic accident Black Spot, with a road safety audit recommending a roundabout intersection be built. The intersection is also prone to temporary flooding, and drainage improvements include new underground pipework and an upgraded basin. New lighting, footpaths and landscaping will also be installed.

The total project cost is expected to be just over \$2 million, and following a tender process Council awarded the construction contract to Broome company Roadline Civil Contracting.

Funding has come from \$1.45 million in grants including through the Commonwealth Government Black Spot Program, with Council funding the remainder.

Hunter St in the Old Broome light industrial area was reconstructed to renew worn pavement and drainage. Stage 1 of the work between Clementson St and Lucas St was completed with Stage 2 scheduled for 2018/19.

Additionally in 2017/18 road resealing was completed on Jigal Dve, Fairway Dve, Blackman St, DeMarchi Rd, Blick Dve and Dora St; Murray St footpath was completed in Cable Beach; and Crab Creek Rd Stage 2 sealing was completed.



Stage 1 of upgrading Hunter St was completed in 2017/18.

The Shire of Broome aims to create the means to enable economic diversity, growth and lifestyle affordability for the current and future population. The following is a summary of progress made towards these Outcomes during 2017/18.

3.1 Affordable and equitable services and infrastructure



The Shire and the Roebuck Bay Working Group collaborated to plant native trees at McMahon Reserve.

Boating Facilities

The State Government through its 2017/18 Budget confirmed funding of \$1 million towards the development of a Business Case and Feasibility Study for a new Safe Boat Harbour in Broome.

The terms of reference were reviewed for the Safe Boat Harbour Working Group resulting in the inclusion of key stakeholders such as the Broome Fishing Club. The Working Group is now reviewing design opportunities, and a fatal flaw analysis has commenced through the WA Department of Transport. Aboriginal heritage approval has been granted for a location between Entrance Point and Reddell Point.

The next level of fatal flaw assessment involves undertaking Dinosaur Trackway field studies to investigate the impact of a new boat harbour on the Federally protected dinosaur trackways. Following fatal flaw analysis further detailed investigations and the writing of a business case will take place.

Funds were secured for installing concrete flex mats at the Town Beach Boat Ramp, however a study concluded this was not a suitable solution in this location. The allocated funds have been re-assigned to install the flex mats at the Catalinas boat ramp in 2018/19.

Waste Management

The Buckley's Road Landfill is being capped progressively in line with the Waste Facility Closure Plan. The landfill is due to close within five years and has been progressively capped, mulched and seeded with native grasses in line with legislative requirements.

An application to the Regional Growth Fund for a Regional Waste Facility, liquid waste facility, transfer stations and mobile crushing/shredding units has been submitted. The application will be assessed in the first half of 2018/19. The Shire is actively looking for external funding to deliver waste management initiatives including the reduction of waste to landfill, reuse and recycling initiatives.

Regional Resource Recovery Park

Two sites were investigated for the new, state-of-the-art Regional Resource Recovery Park (RRRP) to replace the Buckley's Rd Waste Management Facility. Site investigations include hydrogeography, topography, geotechnical, flora, fauna and heritage studies. A comparative analysis study was undertaken with characteristics of both sites analysed. Both sites have been deemed suitable with no concerns needing to be addressed.

At the 22 February 2018 Ordinary Meeting, Council endorsed Site G1- Great Northern Hwy as the preferred site for developing the RRRP. This site is 37km from the Broome town site on Roebuck Plains Pastoral Station. Since this time, land tenure negotiations have continued with Yawuru traditional owners to secure an agreement that satisfies both parties. An agreement to proceed to further site investigations is sought by January 2019. As site G1 is located 37km from Broome, in-town waste transfer facilities are also to be developed to minimise the community's need to access the landfill operations site.

WA Local Government Association Kimberley Zone

Minutes from the joint meetings of the Kimberley Zone of the WA Local Government Association and the Kimberley Regional Collaborative Group are presented to Council for formal endorsement.

The Shire of Broome assumed the Secretariat responsibilities for the Zone in February 2018. Council has traditionally allocated funds along with other member Councils to support the employment of an officer. A review of direct employment versus consultant options was investigated with the group endorsing a revised approach to engage a consultant for the provision of this service for 2018/19.

Our Prosperity

3.2 Affordable land for residential, industrial, commercial and community use

Browse Basin

Council has been provided updates on projects across the Kimberley that could impact on Broome's positioning and strategic desire to be a supply base for the Browse Basin LNG development. Council and Shire staff have confirmed the Council's strategic direction on this matter.

Kimberley Regional Offices

Renewal works have continued on both KRO 1 and KRO 2 including external rendering and painting of the roof.

Process Improvements


In 2017/18 improvements were delivered to streamline process and reduce red tape. This included progression and gazettal of the omnibus scheme amendment to correct anomalies and ensure that scheme text and scheme maps were appropriately updated to align both with LPS6, the adopted strategic planning framework and the Planning and Development (Local Planning Schemes) Regulations 2015.

Building Services

There was a reduction by 34 in the number of building applications approved in 2017/18 compared to the previous year, however there was an increase in total value of building works of nine per cent. The total value of building works approved this financial year is \$28,269,000.

The increase in the value of the building works resulted due to the increase in dwelling approvals and a number of large construction projects including the new office additions at 55 Reid Road and internal fit-outs in large retail premises.

While the number of approvals for 2017/18 were marginally lower than 2016/17 approvals issued for dwelling additions, outbuildings, swimming pools and other associated minor building works are relatively consistent. These figures indicate there is confidence amongst existing homeowners keen to undertake these types of building works.

... there was an increase  in total value of building works of nine per cent. The total value of building works approved this financial year is \$28,269,000.

BUILDING PERMITS ISSUED	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Single Dwellings	240	113	91	78	23	31
Group Dwellings	17	2	0	0	0	0
Additions	17	21	24	14	13	16
Outbuildings	72	94	99	126	93	74
Commercial	29	29	17	24	19	17
Industrial	4	8	2	3	0	2
Pools	84	90	86	89	73	48
Tourist	3	3	0	1	0	1
Fences	63	43	49	25	32	33
Public Nature	9	4	5	4	2	3
Demolition	17	7	16	5	5	6
Total	562	417	389	369	265	231

3.3 Key economic development strategies for the Shire which are aligned to regional outcomes working through recognised planning and development groups/committees.

Economic Development Strategy

In June 2018 the Broome Growth Plan Partnership (GPP) and Council endorsed the final Broome Growth Plan. Some final changes need to be made in July-August 2018 to include a Minister's foreword before the document can be finalised and printed. Overall, the Broome Growth Plan is a robust guide to the future growth of Broome. It has been developed utilising a significant amount of background research and investigation and has strong community buy-in. Strong partnerships have been developed through the development of this document.

Overall, the Broome
Growth Plan is a robust guide to
the future growth of Broome.



The GPP has worked with Broome Future Ltd for it to become the implementation body for the Growth Plan. Broome Future Ltd is a not-for-profit organisation responsible for the Unlocking the Door project. It is proposed that Broome Future Ltd's corporate structure be revised to include four institutional members in the Broome Shire President, Nyamba Buru Yawuru CEO, Kimberley Development Commission Director Regional Planning and Project Delivery, and Broome Chamber of Commerce and Industry President, along with an independent chair. Broome Future Ltd will change its name to reflect its new role. In the second half of 2018 work will continue to finalise changes to Broome Future Ltd's constitution to create this implementation body. Work will also build on the \$100,000 committed by Council as seed funding for the new body to employ an executive officer to drive the activities of the new organisation and to provide leverage to seek further funding.

Kimberley Zone Regional Business Plan

As part of the annual review of priorities for the Kimberley Regional Group, the Shire of Broome's representatives have advocated for interests in common across the region. Key priorities include waste management and alcohol-related harm minimisation.



The Shire and Yawuru hosted Her Excellency the Honourable Kerry Sanderson AC, Governor of WA.

Our Organisation

The Shire of Broome aims to continually enhance its organisational capacity to service the needs of a growing community. The following is a summary of progress made towards these Outcomes during 2017/18.



Shire of Broome staff providing free reusable shopping bags to the community ahead of WA's ban on single-use plastic bags.

4.1 An organisational culture that strives for service excellence

Workforce Planning

The Shire of Broome continues to utilise the Workforce Plan developed in 2016 and has begun the process of updating this. This included analysing data gained from the Shire organisational survey and comparing it to how the Shire is travelling in delivering its commitments in the Community and Corporate Business Plans.

The Shire genuinely seeks to understand how its staff are feeling towards the organisation, each other and how committed employees are to the Vision and Mission of the Shire. To do this the Shire has undertaken surveys of staff. This was originally planned to take place every two years but due to the success of the first survey the Shire will now undertake surveys annually.

The Shire has had its People and Culture policies and procedures externally reviewed and benchmarked against the local government industry. This will result in an updated and modern set of policies and procedures that reflects a modern and engaged workforce.

Organisational Training and Development

The Shire historically has focused on compliance-based training for its staff. Over 65 per cent of the training budget has been spent on ensuring staff provide an improved service and increased occupational and financial safety. This focus has now shifted in 2017/18 to facilitate training that adds value to employees' careers and sustainable value to the Shire.

Leadership and individual capability around contract and project management has been a significant focus of the People and Culture team that is already improving the way in which the Shire manages projects and contractors.



3 March 2018 marked the 76th anniversary of the WWII Air Raid on Broome.

4.2 Sustainable and integrated strategic and operational plans

ICT Strategic Plan

A new Unified Communications System based on Skype for Business has been implemented to provide long-term savings on call costs and improve additional mobility for staff to ensure the Shire is delivering services at a lower cost.

Additionally, the Shire has invested in securing power supply during emergencies by installing an emergency generator for the Administration building. This was completed before the wet season and ensured that electricity supply was available during extreme weather.

The Shire increased the number of CCTV cameras as part of the digital strategy to support community safety.

The Shire increased the number of CCTV cameras as part of the digital strategy to support community safety. Protecting the Shire's citizens and their assets is a high priority for the Shire. The need to protect the Shire's digital assets was also met with the upgrading of the firewall, and security testing of the current Information Technology Systems. This was prioritised because of the increased threat level from ransomware attacks like WannaCry.

Risk Management Strategy and Procedures

The Shire reviewed and redeveloped the Risk Management Strategy and Procedures to align with best practice, Australian standards AS/NZS ISO 31000:2009, and provide clear definitions of risk assessment criteria, measures of likelihood, risk acceptance criteria and control ratings. The Shire's risk management practices are intended to formally assess and document the commitment and objectives regarding managing uncertainty that may impact the Shire's strategies, goals or objectives as outlined in the Strategic Community Plan and Corporate Business Plan of Council. The Shire manages Risk Management through the Risk Management Technical Advisory Group which reports to Council bi-annually.

Achievements for 2017/18 include implementing a corporate contractor induction, lone worker risk assessments, and reviewing emergency response and evacuation plans. In the coming year there will be increased management in the areas of risk management, internal controls and legislative compliance to ensure strong corporate governance that complies with relevant legislation and works towards integrated planning and reporting requirements.

Local Government Industry Participation

The Shire of Broome CEO and other executive staff are members of Local Government Professionals and attend North West Branch meetings via teleconference every three to four months. The Shire CEO also presented at the North Regional Local Government Conference in June 2018.

Our Organisation

4.3 Responsible resource allocation

Plan for the Future – Integrated Strategic Planning (Strategic Community Plan and Corporate Business Plan)

The Local Government Act 1995 requires all Local Governments in WA to implement a Plan for the Future. Amendments to the Local Government (Administration) Regulations 1996 have better defined what comprises a Plan for the Future. These amendments were supported by the State-wide introduction of the Integrated Planning and Reporting (IPR) Framework. This Framework was introduced to ensure the integration of community priorities into strategic planning for Councils.

The Strategic Community Plan (SCP) is the head document of the IPR framework and provides the longer term view (10 year plus timeframe) and sets out the vision, aspirations and objectives of the community. Regulation 19C(4) of the Local Government (Administration) Regulations 1996 requires the SCP to be reviewed at least every four years. A full review of the SCP was undertaken in the first half of 2016/17. Following the full review Council adopted the Shire of Broome Strategic Community Plan 2017-2027 at the Ordinary Meeting of Council held 15 December 2016.

A desktop review of the Strategic Community Plan will occur in 2018/19.

The Corporate Business Plan (CBP) is responsible for translating the strategic direction of the Shire, articulated within the SCP, into specific priorities and actions at an operational level. The CBP also draws together actions contained within the Long Term Financial Plan (LTFP), Capital Works Program, Asset Management Plans and various informing strategies. It provides a four-year snapshot of operational actions and priorities to inform the annual planning and budgeting process. The CBP is required to be reviewed annually in line with the budget process to ensure priorities are achievable and effectively timed. The last review of the CBP was adopted by Council at the Ordinary Meeting of Council held 14 December 2017.

Office Capacity Review

The Shire's Infrastructure Directorate was relocated from the external office space in Barker St to the main Administration Office in early 2018. Expressions of Interest have now been sought to lease the vacant Barker St Offices.

4.4 Improved systems, processes and compliance

Organisational Development Plan

As well as reviewing all policies and procedures relating to people and culture and to further strengthen the organisational development framework within the Shire the following projects have been instigated:

- Remuneration Strategy;
- Workforce Plan;
- Shire Values and Mission review;
- Transition to Retirement Strategy;
- Grievance and Conflict resolution;
- Internal communications;
- Review of performance review system;
- Detailed learning and development framework;
- Reward and Recognition System; and
- Safety and Health management system.

These projects are designed to add significant value and translate into meaningful systems and process that guide our workforce in meeting the Shire's goals and community expectations.



Upgrades at the intersection of Hamersley St and Napier Tce.

Improved Business Processes

The Shire is committed to continual improvement and has focused resources on internal processes, controls and systems to maximise efficiencies and minimise expenditure across the business. Improvements were identified leading into 2017/18 with financial and human resources allocated to reviewing and improving performance from a productivity and cost perspective. Significant progress has been made towards addressing areas of identified improvement with the following tasks completed:

- Development and review of internal operating procedures across the organisation including review of Council Policies, Delegations, Authorisations and Business Operating Procedures;
- Review of Council's committees and working groups;
- Review of Council's procurement processes and systems to increase compliance, transparency, control and efficiency while increasing accessibility for local suppliers;
- Replacement of Council's aging telephone system with an integrated unified communications system.

Additionally, a number of business system improvements were budgeted over the financial year. The implementation of these business systems has addressed inefficient manual processes and improved business operations:

- Attain software has been introduced to automate the submission and collation of compliance-related activities such as primary and annual returns, gifts, delegations and related party transactions;
- TenderLink software has been implemented to process all Shire of Broome tenders;
- VendorPanel software has been introduced to streamline procurement for staff and suppliers including the development of a "local marketplace".

Governance

Local Government (Financial Management) Regulations 1996

The Shire of Broome is required to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures regulation (not less than every three financial years) and report to the local government the results of those reviews. This was completed in February 2016 and the report from this review was tabled at the Audit Committee meeting held 10 May 2016 and received by Council at the Ordinary Meeting of Council held 26 May 2016. The next review must be undertaken prior to the end of the 2018/19 financial year.

Local Laws

The following Local Laws are available on the Shire of Broome website:


- Bush Fire Brigades Local Law 2003;
- Cemeteries Local Law 2012;
- Dogs Local Law 2012;
- Health Local Law 2006;
- Local Government Property and Public Places Local Law 2016;
- Parking and Parking Facilities Local Law 2012;
- Trading, Outdoor Dining and Street Entertainment Local Law 2016.

A review of the following local laws was completed in 2017/18:

- Local Government Property and Public Places Local Law 2016;
- Trading, Outdoor Dining and Street Entertainment Local Law 2016;
- Parking and Parking Facilities Local Law 2012.

Following their review, each of the above local laws required some minor changes as directed by the Joint Standing Committee on Delegated Legislation. The amendments to the Local Government Property and Public Places Local Law 2016 and Trading, Outdoor Dining and Street Entertainment Local Law 2016 are scheduled to be finalised in the first half of 2018/19.

The Health Local Law 2006 will be reviewed as part of the implementation of the new Public Health Act 2016. This did not occur in 2017/18 and is unlikely to be possible in 2018/19 due to the status of the implementation of the Public Health Act 2016.

Significant progress has 
been made towards addressing
areas of identified improvement...

Our Organisation

Employee Remuneration

In accordance with Section 19B of the Local Government (Administration) Regulations 1996 set out below, in bands of \$10,000, is the number of employees of the Shire of Broome entitled to an annual salary of \$100,000 or more:

Salary Range \$	2017/18
100,000 – 109,999	13
110,000 – 119,999	13
120,000 – 129,999	3
130,000 – 139,999	2
150,000 – 159,999	2
160,000 – 169,999	1
220,000 – 229,999	1
Grand Total	35

Complaints

During 2017/2018 there were no complaints received under section 5.121 of the Local Government Act 1995 that resulted in action under Section 5.110(6)(b) or (c).

Public Interest Disclosure

In accordance with the requirements of the Public Interest Disclosure Act 2003, the Shire of Broome 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's Public Interest Disclosure Procedure is available on the website. In 2017/18 no disclosures relating to improper conduct were made to the Shire and therefore no disclosures were referred.

Freedom of Information Act 1992

The Shire of Broome is subject to the provisions of the Freedom of Information (FOI) Act 1992, which gives individuals and organisations a general right of access to information held by the Shire. The Act also provides the right of appeal in relation to decisions made by the Shire to refuse access to information applied for under the Act.

The Shire received 11 FOI applications in 2017/18 of which eight were completed, two withdrawn and one still in progress. One review was requested, and the review was completed. In accordance with Section 96 and 97 of the Act, the Shire is required to publish an Information Statement which details the process of applying for information under the Act, as well as information that the Shire provides outside the Act. The Shire has reviewed its Information Statement document as required under the Act. For further information on Freedom of Information at the Shire of Broome please visit the FOI page on the Shire website.

Shire of Broome Amended Recordkeeping Plan 2014

The State Records Commission, on behalf of the State Records Office, approved the Shire of Broome Amended Recordkeeping Plan in February 2014. The amended plan details the goals and strategies for recordkeeping within the Shire and demonstrates the Shire's commitment to accurate and compliant record keeping practices in accordance with the State Records Act 2000. The Amended Recordkeeping Plan will be reviewed in 2019. The records management program aims to ensure that proper and adequate records are created, maintained and kept ensuring sufficient evidence of the Shire's performance of its functions. Records are recognised as a core information resource in the Shire and it is acknowledged that sound record keeping practices contribute to the overall efficiency and effectiveness of the organisation. The Shire provides a recordkeeping awareness program to staff including inductions and online training.

A number of information management initiatives were also completed including:

- Clean up and disposal of archive records;
- In-house disposal process;
- Implementation of the Shire of Broome Records Digitisation Plan.

This report has been published in accordance with the requirements of the State Records Act 2000.

Disability Access and Inclusion Plan

The Disability Services Act 1993 requires all Local Governments and selected State Government agencies to develop a Disability Access and Inclusion Plan (DAIP). This year, the Shire reviewed its DAIP and Council endorsed a new Shire of Broome DAIP 2018–2023 in May 2018 after substantial community and stakeholder engagement. The DAIP has now been endorsed by the Department of Communities and will guide Shire staff in providing services to facilitate increased independence, opportunities and inclusion for people with disability in the community.

The Shire of Broome has undertaken a number of key initiatives to enhance access and inclusion during 2017/18 and more detail on these can be found under Item 1.3.

The Shire of Broome has undertaken a number of key initiatives to enhance access and inclusion during 2017/18 ...



Code of Conduct for Councillors, Committee and Working Group Members and Employees

Section 5.103 of the Local Government Act 1995 requires every Local Government to prepare or adopt a Code of Conduct (the Code) to be observed by Council members, committee members and employees.

The Code provides Council Members, Committee and Working Group Members and Employees with consistent guidelines for an acceptable standard of professional conduct. The Code addresses in a concise manner the broader issue of ethical responsibility and encourages greater transparency and accountability. The Code of Conduct was reviewed in 2017/18 and adopted by Council at the Ordinary Meeting held 26 April 2018.

Property Department Disposals/Acquisitions

In 2017/18 the following disposals/acquisitions were considered and resolved by Council:

Property	Lessee	Lease Dates	Transaction
1,2,3 at KRO 1 (30 Frederick Street)	Anglicare WA	15/05/2018 to 14/05/2021	Disposal
69 Herbert Street (Mulberry Tree Child Care)	Cachet Holdings P/L	01/11/2022 to 31/10/2028	Disposal
Roebuck Bay Caravan Park	Discovery Holiday Parks P/l	13/12/2017 to 12/10/2020	Disposal
Reserve 52985 (Camel reserve)	Stephen Madden	01/12/2017 to 31/5/2018	Disposal
Civic Centre Office Space	Marrugeku	15/12/2017 to 14/12/2020	Disposal

Policy

The objectives of Council's Policy Manual are:

- To provide Council with a formal written record of all policy decisions;
- To provide staff with precise guidelines in which to act in accordance with Council's wishes;
- To enable staff to act promptly in accordance with Council's requirements, but without continual reference to Council;
- To enable Councillors to adequately handle enquiries from electors without undue reference to the staff or the Council;
- To enable Council to maintain a continual review of Council policy decisions and to ensure they are in keeping with community expectations, current trends and circumstances; and
- To enable ratepayers to obtain immediate advice on matters of Council Policy.

To meet these objectives Council Policies are reviewed and updated at least every two years following the Ordinary Local Government Election. An internal audit of all Council policies was undertaken across Directorates and the reviewed policies were presented to Council at the Ordinary Meeting held 14 December 2017. Additional and amended policies are presented to Council for adoption as and when required. Current policy documents can be viewed on the Shire's website.

Our Organisation



Celebrating Australia Day 2018 in Broome.



WWII Broome Air Raid 76th Anniversary on 3 March 2018.



2017/18 Financial Statements



2017/18 Financial Statements

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Statement by the Chief Executive Officer

**SHIRE OF BROOME
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Broome for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the Shire of Broome at 30 June 2018 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 10th day of OCTOBER 2018



Sam Mastrolemba
Chief Executive Officer

Statement of Comprehensive Income by Nature or Type

For the Year Ended 30 June 2018

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
Revenue				
Rates	20(a)	21,931,509	21,927,252	21,460,516
Operating grants, subsidies and contributions	2(a)	3,884,342	3,046,987	5,648,655
Fees and charges	2(a)	10,743,949	10,825,791	10,258,332
Interest earnings	2(a)	1,304,843	1,137,412	1,259,609
Other revenue	2(a)	988,593	833,579	1,302,012
		38,853,236	37,771,021	39,929,124
Expenses				
Employee costs		(15,637,962)	(16,254,957)	(15,172,581)
Materials and contracts		(9,300,554)	(13,486,309)	(10,121,183)
Utility charges		(1,844,152)	(2,055,610)	(1,962,519)
Depreciation on non-current assets	9(b)	(12,933,560)	(13,766,535)	(12,516,081)
Interest expenses	2(b)	(118,981)	(119,838)	(156,172)
Insurance expenses		(630,726)	(631,178)	(682,631)
Other expenditure		(2,700,647)	(2,692,726)	(2,676,014)
		(43,166,582)	(49,007,153)	(43,287,181)
		(4,313,346)	(11,236,132)	(3,358,057)
Non-operating grants, subsidies and contributions	2(a)	7,023,995	15,363,153	6,053,541
Profit on asset disposals	9(a)	12,860	1,000	34,930
(Loss) on asset disposals	9(a)	(309,999)	(191,276)	(633,730)
Net result		2,413,510	3,936,745	2,096,684
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	(20,829,964)	0	(1,077,029)
Total other comprehensive income		(20,829,964)	0	(1,077,029)
Total comprehensive income		(18,416,454)	3,936,745	1,019,655

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

Statement of Comprehensive Income by Program

For the Year Ended 30 June 2018

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
Revenue				
	2(a)			
Governance		22,907	28,450	54,475
General purpose funding		24,218,955	23,261,551	24,786,401
Law, order, public safety		186,974	133,795	128,322
Health		208,293	184,700	168,774
Education and welfare		15,000	15,000	63,506
Housing		585,062	628,275	564,628
Community amenities		7,164,053	7,492,240	7,388,752
Recreation and culture		1,644,971	1,361,545	1,220,824
Transport		1,448,213	1,798,076	1,733,578
Economic services		1,082,586	881,553	1,397,653
Other property and services		2,276,222	1,985,836	2,422,211
		38,853,236	37,771,021	39,929,124
Expenses				
	2(b)			
Governance		(2,002,679)	(2,284,817)	(2,583,023)
General purpose funding		(307,300)	(647,688)	(563,491)
Law, order, public safety		(1,401,211)	(1,062,510)	(1,343,709)
Health		(742,073)	(794,582)	(750,071)
Education and welfare		(580,039)	(717,931)	(693,032)
Housing		(742,808)	(789,497)	(596,007)
Community amenities		(8,483,658)	(9,492,966)	(8,984,885)
Recreation and culture		(10,565,703)	(11,149,161)	(9,366,355)
Transport		(12,759,452)	(13,664,659)	(12,086,715)
Economic services		(3,054,017)	(5,225,969)	(2,733,315)
Other property and services		(2,408,661)	(3,057,535)	(3,430,406)
		(43,047,601)	(48,887,315)	(43,131,009)
Finance Costs				
	2(b)			
Recreation and culture		(118,981)	(119,838)	(155,010)
Economic services		0	0	(1,162)
		(118,981)	(119,838)	(156,172)
		(4,313,346)	(11,236,132)	(3,358,057)
Non-operating grants, subsidies and contributions	2(a)	7,023,995	15,363,153	6,053,541
Profit on disposal of assets	9(a)	12,860	1,000	34,930
(Loss) on disposal of assets	9(a)	(309,999)	(191,276)	(633,730)
		6,726,856	15,172,877	5,454,741
		2,413,510	3,936,745	2,096,684
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	(20,829,964)	0	(1,077,029)
Total other comprehensive income		(20,829,964)	0	(1,077,029)
Total comprehensive income		(18,416,454)	3,936,745	1,019,655

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

Statement of Financial Position

For the Year Ended 30 June 2018

	NOTE	2018	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	45,133,347	37,606,384
Trade and other receivables	5	2,454,715	1,732,889
Inventories	6	34,015	36,645
TOTAL CURRENT ASSETS		47,622,077	39,375,918
NON-CURRENT ASSETS			
Other receivables	5	17,430	17,061
Property, plant and equipment	7	88,508,984	89,365,233
Infrastructure	8	278,788,414	304,126,067
TOTAL NON-CURRENT ASSETS		367,314,828	393,508,361
TOTAL ASSETS		414,936,905	432,884,279
CURRENT LIABILITIES			
Trade and other payables	11	4,606,710	3,754,062
Current portion of long term borrowings	12(a)	619,827	592,743
Provisions	13	2,214,146	2,025,744
TOTAL CURRENT LIABILITIES		7,440,683	6,372,549
NON-CURRENT LIABILITIES			
Long term borrowings	12(a)	1,699,411	2,319,237
Provisions	13	469,063	448,291
TOTAL NON-CURRENT LIABILITIES		2,168,474	2,767,528
TOTAL LIABILITIES		9,609,157	9,140,077
NET ASSETS		405,327,748	423,744,202
EQUITY			
Retained surplus		116,134,519	120,385,478
Reserves - cash backed	4	38,046,906	31,382,437
Revaluation surplus	10	251,146,323	271,976,287
TOTAL EQUITY		405,327,748	423,744,202

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

Statement of Changes in Equity

For the Year Ended 30 June 2018

		RESERVES			
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2016		120,676,373	28,994,858	273,053,316	422,724,547
Comprehensive income					
Net result		2,096,684	0	0	2,096,684
Changes on revaluation of assets	10	0	0	(1,077,029)	(1,077,029)
Total comprehensive income		2,096,684	0	(1,077,029)	1,019,655
Transfers from/(to) reserves		(2,387,579)	2,387,579	0	0
Balance as at 30 June 2017		120,385,478	31,382,437	271,976,287	423,744,202
Comprehensive income					
Net result		2,413,510	0	0	2,413,510
Changes on revaluation of assets	10	0	0	(20,829,964)	(20,829,964)
Total comprehensive income		2,413,510	0	(20,829,964)	(18,416,454)
Transfers from/(to) reserves		(6,664,469)	6,664,469	0	0
Balance as at 30 June 2018		116,134,519	38,046,906	251,146,323	405,327,748

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

Statement of Cash Flows

For the Year Ended 30 June 2018

	NOTE	2018 Actual	2018 Budget	2017 Actual
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		22,141,540	21,927,252	21,408,835
Operating grants, subsidies and contributions		2,872,489	3,046,987	6,393,803
Fees and charges		10,871,793	10,825,791	10,421,270
Interest earnings		1,304,843	1,137,412	1,259,609
Goods and services tax		2,991,537	0	3,439,022
Other revenue		1,047,668	833,579	1,303,511
		41,229,870	37,771,021	44,226,050
Payments				
Employee costs		(15,424,327)	(16,224,707)	(15,300,415)
Materials and contracts		(8,523,582)	(13,486,309)	(10,500,083)
Utility charges		(1,769,449)	(2,055,610)	(1,914,013)
Interest expenses		(119,839)	(119,838)	(160,265)
Insurance expenses		(630,726)	(631,178)	(682,631)
Goods and services tax		(3,098,829)	0	(3,261,441)
Other expenditure		(2,700,647)	(2,692,726)	(2,654,014)
		(32,267,399)	(35,210,368)	(34,472,862)
Net cash provided by (used in) operating activities	14	8,962,471	2,560,653	9,753,188
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(3,178,496)	(5,828,580)	(5,949,799)
Payments for construction of infrastructure		(5,067,817)	(20,262,861)	(4,715,706)
Non-operating grants, subsidies and contributions		7,023,995	15,363,153	6,053,541
Proceeds from sale of fixed assets		379,552	375,000	531,080
Net cash provided by (used in) investment activities		(842,766)	(10,353,288)	(4,080,884)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term borrowings		(592,742)	(592,743)	(868,716)
Proceeds from new long term borrowings		0	3,656,053	0
Net cash provided by (used in) financing activities		(592,742)	3,063,310	(868,716)
Net increase (decrease) in cash held		7,526,963	(4,729,325)	4,803,588
Cash at beginning of year		37,606,384	35,351,160	32,802,796
Cash and cash equivalents at the end of the year	14	45,133,347	30,621,835	37,606,384

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

Rate Setting Statement

For the Year Ended 30 June 2018

NOTE	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)			
	3,606,464	1,879,323	1,691,093
	3,606,464	1,879,323	1,691,093
Revenue from operating activities (excluding rates)			
Governance	22,907	28,450	54,475
General purpose funding	2,287,446	1,334,299	3,325,885
Law, order, public safety	186,974	133,795	140,221
Health	208,293	184,700	168,774
Education and welfare	19,770	15,000	63,506
Housing	585,062	628,275	564,628
Community amenities	7,164,053	7,492,240	7,388,752
Recreation and culture	1,644,971	1,361,545	1,233,086
Transport	1,448,213	1,798,076	1,733,578
Economic services	1,082,865	881,553	1,397,653
Other property and services	2,284,033	1,986,836	2,432,980
	16,934,587	15,844,769	18,503,538
Expenditure from operating activities			
Governance	(2,005,502)	(2,284,817)	(2,593,397)
General purpose funding	(307,300)	(647,688)	(563,491)
Law, order, public safety	(1,410,163)	(1,084,935)	(1,343,709)
Health	(745,194)	(798,432)	(752,209)
Education and welfare	(580,039)	(718,931)	(693,032)
Housing	(742,808)	(789,497)	(596,007)
Community amenities	(8,483,658)	(9,492,966)	(9,099,038)
Recreation and culture	(10,684,684)	(11,268,999)	(9,525,343)
Transport	(12,759,452)	(13,664,659)	(12,086,715)
Economic services	(3,054,017)	(5,229,869)	(2,737,337)
Other property and services	(2,703,764)	(3,217,636)	(3,930,633)
	(43,476,581)	(49,198,429)	(43,920,911)
Operating activities excluded			
(Profit) on disposal of assets	9(a) (12,860)	(1,000)	(34,930)
Loss on disposal of assets	9(a) 309,999	191,276	633,730
Movement in deferred pensioner rates (non-current)	(369)	0	437
Movement in employee benefit provisions (non-current)	220,168	30,250	94,089
Depreciation and amortisation on assets	9(b) 12,933,560	13,766,535	12,516,081
Amount attributable to operating activities	(9,485,032)	(17,487,276)	(10,516,873)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	7,023,995	15,363,153	6,053,541
Proceeds from disposal of assets	9(a) 379,552	375,000	531,080
Purchase of property, plant and equipment	7(b) (3,178,496)	(5,828,580)	(5,949,799)
Purchase and construction of infrastructure	8(b) (5,067,817)	(20,262,861)	(4,715,706)
Amount attributable to investing activities	(842,766)	(10,353,288)	(4,080,884)
FINANCING ACTIVITIES			
Repayment of long term borrowings	12(a) (592,742)	(592,743)	(868,716)
Proceeds from new long term borrowings	12(b) 0	3,656,053	0
Transfers to reserves (restricted assets)	4 (8,974,332)	(3,251,680)	(6,524,128)
Transfers from reserves (restricted assets)	4 2,309,863	6,101,682	4,136,549
Amount attributable to financing activities	(7,257,211)	5,913,312	(3,256,295)
Surplus(deficiency) before general rates	(17,585,009)	(21,927,252)	(17,854,052)
Total amount raised from general rates	20 21,931,509	21,927,252	21,460,516
Net current assets at June 30 c/fwd - surplus/(deficit)	21 4,346,500	0	3,606,464

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities and to the extent they are not inconsistent with the *Local Government Act 1995* and accompanying regulations.), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. 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 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.

CRITICAL ACCOUNTING ESTIMATES

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

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

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.

THE LOCAL GOVERNMENT REPORTING ENTITY (Continued)

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 23 to these financial statements.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Shire.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

2. REVENUE AND EXPENSES

(a) Revenue

	2018 Actual	2017 Actual
	\$	\$
Other revenue		
Reimbursements and recoveries	940,674	1,297,159
Other	47,919	4,853
	988,593	1,302,012
Fees and Charges		
General purpose funding	72,683	71,125
Law, order, public safety	159,633	103,429
Health	203,114	145,915
Housing	582,673	562,450
Community amenities	6,715,597	6,926,028
Recreation and culture	1,168,998	842,402
Transport	25,603	17,638
Economic services	769,708	624,696
Other property and services	1,045,940	964,649
	10,743,949	10,258,332

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

	2018	2017
	\$	\$
Operating grants, subsidies and contributions		
Governance	8,186	35,198
General purpose funding	1,837,256	2,939,907
Health	2,198	22,172
Education and welfare	15,000	54,415
Community amenities	5,000	37,959
Recreation and culture	372,598	272,671
Transport	1,287,446	1,575,936
Economic services	167,356	633,000
Other property and services	189,302	77,397
	3,884,342	5,648,655
Non-operating grants, subsidies and contributions		
Law, order, public safety	0	60,157
Community amenities	255,000	4,413
Recreation and culture	194,933	1,420,943
Transport	1,498,892	3,084,858
Economic services	4,950,000	1,358,000
Other property and services	125,170	125,170
	7,023,995	6,053,541
Total grants, subsidies and contributions	10,908,337	11,702,196

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over

Grants, Donations and Other Contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 19.

That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

Interest earnings

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
- Reserve funds	783,428	745,700	754,170
- Other funds	238,200	161,712	194,518
Other interest revenue (refer note 20(c))	283,215	230,000	310,921
	1,304,843	1,137,412	1,259,609

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other

2018	2017
\$	\$
28,102	27,056
5,769	13,834
33,871	40,890

Interest expenses (finance costs)

- Long term borrowings (refer Note 12(a))

118,981	156,172
118,981	156,172

Rental charges

- Operating leases

534,921	516,373
534,921	516,373

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

3. CASH AND CASH EQUIVALENTS

	NOTE	2018	2017
		\$	\$
Unrestricted		7,086,441	6,223,947
Restricted		38,046,906	31,382,437
		45,133,347	37,606,384
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserves cash backed - Leave Reserve	4	1,592,185	1,392,788
Reserves cash backed - Building	4	3,451,747	4,225,522
Reserves cash backed - Public Open Space	4	2,300,553	1,484,517
Reserves cash backed - Drainage	4	1,839,820	1,538,939
Reserves cash backed - Plant	4	1,559,839	1,445,002
Reserves cash backed - BRAC (Leisure Centre)	4	54,376	52,962
Reserves cash backed - Road	4	2,764,619	2,466,645
Reserves cash backed - Footpath	4	2,338,141	2,124,387
Reserves cash backed - Car Park	4	485,090	472,478
Reserves cash backed - IT & Equipment	4	432,473	365,711
Reserves cash backed - Refuse Site	4	3,377,488	3,531,100
Reserves cash backed - Resource Recovery Park	4	12,190,279	9,637,910
Reserves cash backed - Restricted Cash	4	5,045,885	2,033,575
Reserves cash backed - Community Sponsorship	4	84,449	61,986
Reserves cash backed - EDL	4	182,370	210,360
Reserves cash backed - Kimberley Zone	4	184,845	180,039
Reserves cash backed - Public Art	4	162,747	158,516
		38,046,906	31,382,437

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Cash and cash equivalents (Continued)

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

SIGNIFICANT ACCOUNTING POLICIES

Classification and subsequent measurement

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

(ii) Held-to-maturity investments

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

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

(iii) Available-for-sale financial assets

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

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

Impairment

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment (Continued)

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

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

Derecognition

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

4. RESERVES - CASH BACKED

	2018		2018		2018		2018		2018		2017		2017	
	Actual	Actual	Actual	Transfer	Actual	Transfer	Budget	Transfer	Opening	Actual	Actual	Transfer	Actual	Closing
	Balance	to	(from)		Balance	to	(from)		Balance	to	(from)		Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reserves cash backed - Leave Reserve	1,392,788	387,781	(186,384)	1,592,185	1,446,463	34,700	(84,441)	1,396,722	1,445,633	297,635	(350,480)	1,392,788	1,392,788	
Reserves cash backed - Building	4,225,522	178,443	(952,218)	3,451,747	4,201,973	134,400	(2,141,326)	2,195,047	3,775,847	613,022	(163,347)	4,225,522	4,225,522	
Reserves cash backed - Public Open Space	1,484,517	816,036	0	2,300,553	2,580,648	84,878	(400,000)	2,265,526	860,010	624,507	0	1,484,517	1,484,517	
Reserves cash backed - Drainage	1,538,939	336,547	(35,666)	1,839,820	1,535,342	40,600	0	1,575,942	1,620,493	50,591	(132,145)	1,538,939	1,538,939	
Reserves cash backed - Plant	1,445,002	118,787	(3,950)	1,558,839	1,318,632	39,600	(29,000)	1,329,232	1,476,655	280,659	(312,312)	1,445,002	1,445,002	
Reserves cash backed - BRAC (Leisure Centre)	52,962	1,414	0	54,376	52,959	100	0	53,059	51,495	1,467	0	52,962	52,962	
Reserves cash backed - Road	2,466,645	347,974	(50,000)	2,764,619	2,479,437	147,100	(50,000)	2,576,537	2,222,495	305,733	(61,583)	2,466,645	2,466,645	
Reserves cash backed - Footpath	2,124,387	388,308	(174,554)	2,338,141	2,123,935	57,500	(385,000)	1,796,435	2,231,163	95,431	(202,207)	2,124,387	2,124,387	
Reserves cash backed - Car Park	472,478	12,612	0	485,090	472,446	12,800	0	485,246	459,387	13,091	0	472,478	472,478	
Reserves cash backed - IT & Equipment	365,711	66,762	0	432,473	365,689	9,900	0	375,589	312,797	52,914	0	365,711	365,711	
Reserves cash backed - Refuse Site	3,531,100	94,258	(247,870)	3,377,488	3,634,920	83,400	(1,236,053)	2,482,167	4,175,520	118,987	(763,407)	3,531,100	3,531,100	
Reserves cash backed - Resource Recovery Park	9,637,910	2,604,850	(52,481)	12,190,279	9,730,311	2,594,002	(400,000)	11,924,313	7,216,863	2,670,162	(249,115)	9,637,910	9,637,910	
Reserves cash backed - Restricted Cash	2,033,575	3,583,445	(571,135)	5,045,885	2,177,979	0	(1,295,862)	882,117	2,534,220	1,367,073	(1,867,718)	2,033,575	2,033,575	
Reserves cash backed - Community Sponsorship	61,986	22,463	0	84,449	47,308	1,300	0	48,608	45,287	16,699	0	61,986	61,986	
Reserves cash backed - EDL	210,360	5,615	(33,605)	182,370	162,745	4,400	(80,000)	87,145	236,034	6,726	(32,400)	210,360	210,360	
Reserves cash backed - Kimberley Zone	180,039	4,806	0	184,845	180,027	4,700	0	184,727	176,835	5,039	(1,835)	180,039	180,039	
Reserves cash backed - Public Art	158,516	4,231	0	162,747	158,506	2,300	0	160,806	154,124	4,392	0	158,516	158,516	
	31,382,437	8,974,332	(2,309,863)	38,046,906	32,669,220	3,251,680	(6,101,682)	29,819,218	28,994,858	6,524,128	(4,136,549)	31,382,437	31,382,437	

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Reserves cash backed - Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
Reserves cash backed - Building	Ongoing	To be used for renewal, upgrade, replacement or new building construction and associated infrastructure
Reserves cash backed - Public Open Space	Ongoing	To be used for renewal, upgrade, replacement or new public open space facilities and garden areas associated with buildings and other freely accessible public recreational facilities. Any contributions from developers are held in Trust.
Reserves cash backed - Drainage	Ongoing	To be used for the renewal, upgrade or construction of drainage services. Typically funds are from contributions made by developers.
Reserves cash backed - Plant	Ongoing	To be used for the renewal, upgrade or purchase of new mobile plant and engineering equipment.
Reserves cash backed - BRAC (Leisure Centre)	Ongoing	To be used for the construction of recreation infrastructure and facilities.
Reserves cash backed - Road	Ongoing	To be used for renewal, upgrade or new streets and roads.
Reserves cash backed - Footpath	Ongoing	To be used for renewal, upgrade or new footpaths. Typically funds are from contributions made by developers.
Reserves cash backed - Car Park	Ongoing	To be used for renewal, upgrade or new carparks. Typically funds are from "Cash in Lieu" payments from developers.
Reserves cash backed - IT & Equipment	Ongoing	To be used for renewal, upgrade or new office equipment, IT hardware and software.
Reserves cash backed - Refuse Site	Ongoing	To be used for the current and future costs of maintaining and closing the refuse site in accordance with operational needs and environmental guidelines.
Reserves cash backed - Resource Recovery Park	Ongoing	To hold funds set aside annually and any year end operational profit generated from refuse site business unit to fund: <ul style="list-style-type: none"> i) The future construction of a new facility; ii) the future subsequent and ongoing costs of maintaining the site in accordance with operational requirements and environmental guidelines; or iii) the costs of future rehabilitation of the site.
Reserves cash backed - Restricted Cash	Ongoing	To be used for unspent grant, contribution and loan funds.
Reserves cash backed - Community Sponsorship	Ongoing	To hold funds remaining as at 30 June after allocation of both Annual and Ad-hoc sponsorships and external donations to be spent on both annual and ad-hoc sponsorships in accordance with the Community Sponsorship Program Policy.
Reserves cash backed - EDL	Ongoing	To hold funds to be spent on community projects as approved by Energy Development Limited.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

5. TRADE AND OTHER RECEIVABLES

Current

Rates outstanding	794,223	1,004,623
Sundry debtors	903,729	525,385
GST receivable	292,871	185,579
Bonds and Deposits held by others	48,978	42,498
Other current Receivables	545,538	100,490
Allowance for impairment - rates	(106,676)	(99,881)
Allowance for impairment - sundry debtors	(23,948)	(25,805)
	2,454,715	1,732,889

Non-current

Rates outstanding - pensioners	17,430	17,061
	17,430	17,061

Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:

Rates outstanding

Includes:

Past due and not impaired	687,547	904,742
Impaired	106,676	99,881

Sundry debtors

Includes:

Current	541,465	476,686
Past due and not impaired	338,316	22,894
Impaired	23,948	25,805

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

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

Classification and subsequent measurement

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

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

6. INVENTORIES

Current

Fuel and materials
BRAC Stock

2018	2017
\$	\$
28,554	29,614
5,461	7,031
34,015	36,645

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

7 (a). PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 3	2,680,000	2,680,000
- Current year additions after valuation - cost	340,192	0
	3,020,192	2,680,000
Land - vested in and under the control of Council at:		
- Cost	16,076,532	16,076,532
	16,076,532	16,076,532
Total land	19,096,724	18,756,532
Buildings - non-specialised at:		
- Independent valuation 2017 - level 3	59,693,769	59,908,654
- reclassification of asset class	0	(214,885)
- Current year additions after valuation - cost	774,092	0
Less: accumulated depreciation	(1,733,104)	0
	58,734,757	59,693,769
Total buildings	58,734,757	59,693,769
Total land and buildings	77,831,481	78,450,301
Furniture and equipment at:		
- Management valuation 2017 - level 3	792,760	792,760
- Additions after valuation - cost	580,546	0
Less: accumulated depreciation	(157,139)	0
	1,216,167	792,760
Plant and equipment at:		
- Management valuation 2016 - level 2	7,131,265	7,131,265
- Additions after valuation - cost	6,150,235	4,692,974
- Disposals after valuation - cost	(1,748,036)	(1,044,295)
Less: accumulated depreciation	(2,253,074)	(975,166)
	9,280,390	9,804,778
Work in Progress - Land & Buildings at:		
- C/Forward	192,224	590,968
- Additions at cost	153,309	1,734
- Transfer of Works in Progress	(1,734)	(200,755)
- Derecognition of Works in Progress	(162,853)	(199,723)
Less: accumulated depreciation	0	0
	180,946	192,224
Work in Progress - Plant & Equipment at:		
- C/Forward	0	78,117
- Transfer of Works in Progress	0	(78,117)
Less: accumulated depreciation	0	0
	0	0
Work in Progress - Furniture & Equipment at:		
- C/Forward	125,170	0
- Additions at cost	0	125,170
- Transfer of Works in Progress	(125,170)	0
Less: accumulated depreciation	0	0
	0	125,170
Total property, plant and equipment	88,508,984	89,365,233

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Land - vested in and under the control of Council	Land - freehold land	Total land	Buildings - non- specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Work in Progress - Land & Buildings	Work in Progress - Plant & Furniture & Equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	16,076,532	6,076,247	22,152,779	57,894,845	80,047,624	1,031,477	7,131,264	590,968	78,117	0	88,879,450
Additions	0	0	0	777,560	777,560	430,478	4,614,857	1,734	0	125,170	5,949,799
(Disposals)	0	0	0	0	0	0	(927,297)	(199,723)	0	0	(1,127,020)
Revaluation increments/(decrements) transferred to revaluation surplus	0	(3,396,247)	0	2,557,778	(838,469)	(238,560)	0	0	0	0	(1,077,029)
Depreciation (expense)	0	0	0	(1,522,284)	(1,522,284)	(430,635)	(1,092,163)	0	0	0	(3,045,082)
Transfers	0	0	0	200,755	200,755	0	78,117	(200,755)	(78,117)	0	0
Reclassifications	0	0	0	(214,885)	(214,885)	0	0	0	0	0	(214,885)
Carrying amount at 30 June 2017	16,076,532	2,680,000	18,756,532	59,693,769	78,450,301	792,760	9,804,778	192,224	0	125,170	89,365,233
Additions	0	340,192	340,192	772,358	1,112,550	455,376	1,457,261	153,309	0	0	3,178,496
(Disposals)	0	0	0	0	0	0	(513,838)	(162,853)	0	0	(676,691)
Depreciation (expense)	0	0	0	(1,733,104)	(1,733,104)	(157,139)	(1,467,811)	0	0	0	(3,358,054)
Transfers	0	0	0	1,734	1,734	125,170	0	(1,734)	0	(125,170)	0
Carrying amount at 30 June 2018	16,076,532	3,020,192	19,096,724	58,734,757	77,831,481	1,216,167	9,280,390	180,946	0	0	88,508,984

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	3	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2017	Sales comparisons (level 3 inputs)
Land - vested in and under the control of Council	3	Improvements to land valued using cost approach using depreciated replacement cost	Management valuation	June 2017	At cost
Buildings - non-specialised	3	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2017	Sales comparisons per lettable area (level 2 inputs), depreciated replacement cost per unit area and estimated useful life (Level 3 inputs)
Furniture and equipment	3	Market approach using recent observable market data for similar assets	Management valuation	June 2017	Market price per item, adjusted for condition and comparability
Plant and equipment	3	Market Approach using recent observable market data for similar assets	Management valuation	June 2016	Current replacement cost (market price per item) and condition assessment (level 2 inputs), residual values & estimated useful life (Level 3 inputs)

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

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

8 (a). INFRASTRUCTURE

Infrastructure - Roads

- Management valuation 2015 - level 3
- Management valuation 2018 - level 3
- Additions after valuation - cost
- Current year additions after valuation - cost
- Less: accumulated depreciation

Infrastructure - Carparks, Footpaths & Bridges

- Management valuation 2015 - level 3
- Management valuation 2018 - level 3
- Additions after valuation - cost
- Current year additions after valuation - cost
- Less: accumulated depreciation

Infrastructure - Drainage

- Management valuation 2015 - level 3
- Management valuation 2018 - level 3
- Additions after valuation - cost
- Current year additions after valuation - cost
- Less: accumulated depreciation

Infrastructure - Recreation Areas

- Management valuation 2015 - level 3
- Management valuation 2018 - level 3
- Additions after valuation - cost
- Current year additions after valuation - cost
- Less: accumulated depreciation

Infrastructure - Other

- Management valuation 2015 - level 3
- Management valuation 2018 - level 3
- Additions after valuation - cost
- reclassification of asset class
- Current year additions after valuation - cost
- Less: accumulated depreciation

Work in Progress - Roads, F/Path & Bridges

- C/Forward
- Additions cost
- Transfer of Works in Progress
- Less: accumulated depreciation

Work in Progress - Drainage Infrastructure

- Additions cost
- Less: accumulated depreciation

Work in Progress - Other Infrastructure

- C/Forward
- Additions at cost
- Transfer of Works in Progress
- Derecognition of Works in Progress
- Less: accumulated depreciation

Work in Progress - Recreation Areas

- Additions at cost
- Less: accumulated depreciation

Total infrastructure

	2018	2017
	\$	\$
Infrastructure - Roads		
- Management valuation 2015 - level 3	0	323,849,950
- Management valuation 2018 - level 3	237,035,322	0
- Additions after valuation - cost	0	6,425,961
- Current year additions after valuation - cost	0	2,502,303
Less: accumulated depreciation	(46,410,805)	(105,736,012)
	190,624,517	227,042,202
Infrastructure - Carparks, Footpaths & Bridges		
- Management valuation 2015 - level 3	0	48,127,680
- Management valuation 2018 - level 3	36,821,259	0
- Additions after valuation - cost	0	1,114,680
- Current year additions after valuation - cost	0	332,478
Less: accumulated depreciation	0	(20,276,816)
	36,821,259	29,298,022
Infrastructure - Drainage		
- Management valuation 2015 - level 3	0	65,843,215
- Management valuation 2018 - level 3	32,495,503	0
- Additions after valuation - cost	0	1,408,374
- Current year additions after valuation - cost	0	138,377
Less: accumulated depreciation	0	(27,106,701)
	32,495,503	40,283,265
Infrastructure - Recreation Areas		
- Management valuation 2015 - level 3	0	3,883,913
- Management valuation 2018 - level 3	10,572,094	0
- Additions after valuation - cost	0	1,342,931
- Current year additions after valuation - cost	0	105,233
Less: accumulated depreciation	0	(2,767,023)
	10,572,094	2,565,054
Infrastructure - Other		
- Management valuation 2015 - level 3	0	5,869,936
- Management valuation 2018 - level 3	4,646,895	0
- Additions after valuation - cost	0	807,058
- reclassification of asset class	0	226,779
- Current year additions after valuation - cost	0	565,962
Less: accumulated depreciation	0	(4,445,736)
	4,646,895	3,023,999
Work in Progress - Roads, F/Path & Bridges		
- C/Forward	930,621	19,487
- Additions cost	1,939,238	929,259
- Transfer of Works in Progress	(884,875)	(18,125)
Less: accumulated depreciation	0	0
	1,984,984	930,621
Work in Progress - Drainage Infrastructure		
- Additions cost	425,666	0
Less: accumulated depreciation	0	0
	425,666	0
Work in Progress - Other Infrastructure		
- C/Forward	982,904	825,545
- Additions at cost	423,642	241,336
- Transfer of Works in Progress	(259,018)	(81,117)
- Derecognition of Works in Progress	0	(2,860)
Less: accumulated depreciation	0	0
	1,147,528	982,904
Work in Progress - Recreation Areas		
- Additions at cost	69,968	0
Less: accumulated depreciation	0	0
	69,968	0
Total infrastructure	278,788,414	304,126,067

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - Roads	Infrastructure - Footpaths & Bridges	Infrastructure - Carparks, Footpaths & Bridges	Infrastructure - Drainage	Infrastructure - Recreation Areas	Infrastructure - Other	Work in Progress - Roads, F/Path & Bridges	Work in Progress - Drainage Infrastructure	Work in Progress - Other Infrastructure	Work in Progress - Recreation Areas	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	231,080,984	29,970,765	41,265,770	2,623,663	2,883,121	19,487	0	825,545	0	0	308,669,335
Additions	2,502,303	314,353	138,377	105,233	484,845	929,259	0	241,336	0	0	4,715,706
(Disposals)	0	0	0	0	0	0	0	(2,860)	0	0	(2,860)
Depreciation (expense)	(6,541,085)	(1,005,221)	(1,120,882)	(163,842)	(639,969)	0	0	0	0	0	(9,470,999)
Transfers	0	18,125	0	0	81,117	(18,125)	0	(81,117)	0	0	0
Reclassifications	0	0	0	0	214,885	0	0	0	0	0	214,885
Carrying amount at 30 June 2017	227,042,202	29,298,022	40,283,265	2,565,054	3,023,999	930,621	0	982,904	0	0	304,126,067
Additions	1,538,183	274,523	22,235	161,512	212,850	1,939,238	425,666	423,642	69,968	0	5,067,817
Revaluation increments/ (decrements) transferred to revaluation surplus	(32,251,034)	8,261,254	(6,686,809)	8,014,788	1,831,837	0	0	0	0	0	(20,829,964)
Depreciation (expense)	(6,589,709)	(1,012,540)	(1,123,188)	(169,260)	(680,809)	0	0	0	0	0	(9,575,506)
Transfers	884,875	0	0	0	259,018	(884,875)	0	(259,018)	0	0	0
Carrying amount at 30 June 2018	190,624,517	36,821,259	32,495,503	10,572,094	4,646,895	1,984,984	425,666	1,147,528	69,968	0	278,788,414

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

8. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Carparks, Footpaths & Bridges	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Recreation Areas	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Other	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Work in Progress - Roads, F/Path & Bridges	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Work in Progress - Drainage Infrastructure	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Work in Progress - Other Infrastructure	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Work in Progress - Recreation Areas	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

9. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by 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 acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions.

This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

Land under control

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

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

9. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Governance								
P16016 Isuzu MUX LST Outback	36,805	33,982	0	(2,823)	0	0		
Law, order, public safety								
P113 Isuzu D-Max SX Auto Utility Crew Cab w Tray	18,851	15,886	0	(2,965)	21,100	13,000	0	(8,100)
P213 Isuzu D-Max SX Man Utility Crew Cab w Tray	18,147	15,295	0	(2,852)	20,125	13,000	0	(7,125)
P16512 Isuzu D-Max SX Utility 4x4 Crew Cab	17,202	14,068	0	(3,134)	20,200	13,000	0	(7,200)
Health								
P10112 Isuzu D-Max SX 4x4 Crew Cab	13,644	10,522	0	(3,122)	16,850	13,000	0	(3,850)
Education and welfare								
P12112 Hyundai Santa Fe Wagon CRDi	9,162	13,931	4,769	0	9,000	8,000	0	(1,000)
Economic services								
P4412 Isuzu D-Max SX Utility 4x4 Crew Cab	13,652	13,931	279	0	16,900	13,000	0	(3,900)
Other property and services								
P7511 Isuzu D-Max SX Utility 4x4 Crew Cab	13,652	11,204	0	(2,448)	16,900	13,000	0	(3,900)
P11312 Isuzu D-Max SX Utility 4x4 Crew Cab	13,651	15,340	1,689	0	16,900	13,000	0	(3,900)
P3812 Isuzu D-Max SX Utility 4x4 Crew Cab	13,652	14,159	507	0	16,900	13,000	0	(3,900)
P6913 John Deere 1565 Front Deck Ride on Mower	7,883	12,500	4,617	0	10,267	8,000	0	(2,267)
P6910 John Deere 1565 Front Deck Mower	7,973	6,000	0	(1,973)	8,000	8,000	0	0
P10513 John Deere 1565 Front Deck Mower	10,123	6,000	0	(4,123)	11,495	10,000	0	(1,495)
P1910 Nissan PK9 Truck Tipper 8t Single Cab	81,997	45,000	0	(36,997)	85,400	45,000	0	(40,400)
P2713 Isuzu D-Max SX Utility Space Cab	17,786	16,386	0	(1,400)	21,200	13,000	0	(8,200)
P2512 Isuzu D-Max SX Utility 4x4 Space Cab	13,978	13,659	0	(319)	18,850	13,000	0	(5,850)
P6812 Isuzu D-Max SX Utility 4x4 Space Cab	13,978	14,977	999	0	18,850	13,000	0	(5,850)
P9112 Isuzu D-Max EX Utility 4x4 Single Cab Steel Tipper	13,435	11,659	0	(1,776)	15,600	13,000	0	(2,600)
P8913 Woodchipper Bandit 1390XP	31,031	27,273	0	(3,758)	34,747	20,000	0	(14,747)
P13209 John Deere 6430 Tractor 4WD PTO	40,000	23,000	0	(17,000)	40,000	40,000	0	0
P15211 Trailer - 5.5T Steel Tandem	21,621	1,758	0	(19,863)	0	0		
P83307 Roller Vibrating Soil Compactor	71,458	33,000	0	(38,458)	74,375	40,000	0	(34,375)
P1611 Isuzu D-Max Utility 4x4 Crew Cab	14,157	10,022	0	(4,135)	19,922	13,000	0	(6,922)
P85807 Trailer Polmac Dual Axle					0	0	0	0
P6212 Isuzu D-Max SX Utility 4x4 Crew Cab					16,900	13,000	0	(3,900)
P88515 Howard Stealth S2 Dual Winged Mower					20,328	0	0	(20,328)
P11412 Isuzu D-Max SX Utility 4x4 Single Cab					14,467	13,000	0	(1,467)
P16612 Pressure Cleaner Spitwater					0	1,000	1,000	0
Land & Buildings - Broome Motor Sport Complex	162,853	0	0	(162,853)	0	0	0	0
	676,691	379,552	12,860	(309,999)	565,276	375,000	1,000	(191,276)

During the year \$162,853 of Land and Buildings Works in Progress was derecognised. The amount relates to expenditure incurred on a discontinued project which was previously capitalised.

(b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	1,733,104	1,522,284
Furniture and equipment	157,139	430,635
Plant and equipment	1,467,811	1,092,163
Infrastructure - Roads	6,589,709	6,541,085
Infrastructure - Carparks, Footpaths & Bridges	1,012,540	1,005,221
Infrastructure - Drainage	1,123,188	1,120,882
Infrastructure - Recreation Areas	169,260	163,842
Infrastructure - Other	680,809	639,969
	12,933,560	12,516,081

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

9. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

Depreciation rates

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

Vehicles (High Use 1 year replacement program)
Ride on Mowers
Cars & Light Vehicles (2 to 3 replacement program)
Trucks Small 2-5 tonne
Trucks Medium 6-12 tonne
Trucks Heavy >12 tonne & Medium Plant
Plant Heavy, Graders, Scrapers, Dozers, etc
Plant Portable (regular use)
Plant Other (low use and/or long life)
Computer Equipment (hardware/software)
Furniture & Equipment
Building Plant & Air Conditioning
Buildings
Buildings - Long Life Structures Infrastructure Fixed:
Formation & Earthworks (roads, reserves, landfill)
Pavement (roads, car parks, reserves, landfill)
Seals Asphalt
Seals Bitumen
Road Plant & Bus Shelters
Bridges
Drainage facilities
Footpaths, Dual Use Paths

Depreciation (Continued)

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

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

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

Estimated Useful Life	Annual Dep'n Rate
4 years	25.00%
5 years	20.00%
6.67 years	15.00%
6.67 years	15.00%
8 years	12.50%
10 years	10.00%
12 years	8.33%
5 years	20.00%
16 years	6.25%
4 years	25.00%
10 years	10.00%
15 years	6.67%
40 years	2.50%
50 years	2.00%
100 years	1.00%
40 years	2.50%
25 Years	4.00%
15 Years	6.67%
20 years	5.00%
80 years	1.25%
60 years	1.67%
50 years	2.00%

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

10. REVALUATION SURPLUS

	2018				2017					
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land & Buildings	34,853,440	0	0	0	34,853,440	35,691,909	0	(838,469)	(838,469)	34,853,440
Revaluation surplus - Furniture and equipment	201,314	0	0	0	201,314	439,874	0	(238,560)	(238,560)	201,314
Revaluation surplus - Infrastructure - Roads	180,313,246	0	(32,251,034)	(32,251,034)	148,062,212	180,313,246	0	0	0	180,313,246
Revaluation surplus - Infrastructure - Carparks, Footpaths & Bridges	22,251,434	8,261,254	0	8,261,254	30,512,688	22,251,434	0	0	0	22,251,434
Revaluation surplus - Infrastructure - Drainage	34,087,407	0	(6,686,809)	(6,686,809)	27,400,598	34,087,407	0	0	0	34,087,407
Revaluation surplus - Infrastructure - Recreation Areas	0	8,014,788	0	8,014,788	8,014,788	0	0	0	0	0
Revaluation surplus - Infrastructure - Other	269,446	1,831,837	0	1,831,837	2,101,283	269,446	0	0	0	269,446
	271,976,287	18,107,879	(38,937,843)	(20,829,964)	251,146,323	273,053,316	0	(1,077,029)	(1,077,029)	271,976,287

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors	2,705,671	2,421,490
Accrued interest on long term borrowings	3,017	3,875
Accrued salaries and wages	444,752	421,666
ATO liabilities	13,239	31,864
Excess Rates	245,753	199,608
Prepaid Rent, Grants and Services	159,401	162,440
Accrued Expenses	1,034,877	513,119
	4,606,710	3,754,062

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

12. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Principal 1 July 2017 \$	New Loans \$	Principal Repayments		Principal Repayments 30 June 2018		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget
Recreation and culture								
BRAC Stage 2B (Car Park & Oval Completion) 191	117,814	0	57,049	57,049	60,765	60,765	6,622	6,652
Civic Centre Redevelopment 193	2,347,504	0	433,508	433,508	1,913,996	1,913,996	88,300	88,487
BRAC Pavillion 194	446,662	0	102,185	102,186	344,477	344,476	24,059	24,699
	2,911,980	0	592,742	592,743	2,319,238	2,319,237	118,981	119,838

All loan repayments were financed by general purpose revenue.

Borrowings

	2018	2017
Current	\$ 619,827	\$ 592,743
Non-current	1,699,411	2,319,237
	2,319,238	2,911,980

(b) New Borrowings - 2017/18

Particulars/Purpose	Amount Borrowed		Institution	Term Years	Total Interest & Charges		Interest Rate		Amount (Used)		Balance Unspent	
	Actual	Budget			Actual	%	Actual	Budget	Actual	Budget		
Town Beach Redevelopment	\$ 0	\$ 1,956,053			0	0	0	0	0	0	0	0
Chinatown Revitalisation	0	1,700,000			0	0	0	0	0	0	0	0
	0	3,656,053			0	0	0	0	0	0	0	0

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

12. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Borrowings

Particulars	Date Borrowed	Unspent Balance 1 July 17	Borrowed During Year	Expended During Year	Unspent Balance 30 June 18
		\$	\$	\$	\$
Loan # 193 Arts Centre Redevelopment	June 2012	35,275	0	0	35,275
		35,275	0	0	35,275

	2018	2017
	\$	\$
Bank overdraft limit	700,000	700,000
Bank overdraft at balance date	0	0
Credit card limit	25,000	25,000
Credit card balance at balance date	0	0
Total amount of credit unused	725,000	725,000

	2018	2017
	\$	\$
Loan facilities - current	619,827	592,743
Loan facilities - non-current	1,699,411	2,319,237
Total facilities in use at balance date	2,319,238	2,911,980

(d) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit

Bank overdraft at balance date

Credit card limit

Credit card balance at balance date

Total amount of credit unused

Loan facilities

Loan facilities - current

Loan facilities - non-current

Total facilities in use at balance date

Unused loan facilities at balance date

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred

Financial liabilities (Continued)

to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Borrowing costs

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

13. PROVISIONS

Opening balance at 1 July 2017

Current provisions

Non-current provisions

Additional provision

Increase in the discounted amount arising because of time and the effect of any change in the discounted rate

Balance at 30 June 2018

Comprises

Current

Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Current provisions	1,313,724	712,020	2,025,744
Non-current provisions	0	448,291	448,291
	1,313,724	1,160,311	2,474,035
Additional provision	42,089	164,804	206,893
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	0	2,281	2,281
Balance at 30 June 2018	1,355,813	1,327,396	2,683,209
Comprises			
Current	1,355,813	858,333	2,214,146
Non-current		469,063	469,063
	1,355,813	1,327,396	2,683,209

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

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.

Provisions

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

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

14. NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Cash and cash equivalents	45,133,347	30,621,835	37,606,384
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	2,413,510	3,936,745	2,096,684
Non-cash flows in Net result:			
Depreciation	12,933,560	13,766,535	12,516,081
(Profit)/loss on sale of asset	297,139	190,276	598,800
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(722,195)	0	1,035,485
(Increase)/decrease in inventories	2,630	0	(11,271)
Increase/(decrease) in payables	852,648	0	(391,738)
Increase/(decrease) in provisions	209,174	30,250	(37,312)
Grants contributions for the development of assets	(7,023,995)	(15,363,153)	(6,053,541)
Net cash from operating activities	8,962,471	2,560,653	9,753,188

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
Governance	367,216	390,399
General purpose funding	12,837,305	9,196,387
Law, order, public safety	536,302	590,838
Health	10,966	12,184
Housing	3,687,477	2,962,498
Community amenities	53,302,616	57,467,507
Recreation and culture	43,652,690	36,117,403
Transport	237,068,421	263,073,055
Economic services	7,294,156	7,945,884
Other property and services	38,284,610	38,264,569
Unallocated	17,895,146	16,863,555
	414,936,905	432,884,279

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

16. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects	2,017,266	199,410
- plant & equipment purchases	0	25,140

Payable:

- not later than one year	2,017,266	199,410
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The capital expenditure projects outstanding at the end of the current reporting period represents: construction of the Hamersley-Napier roundabout & drainage improvement, Frederick St lookout as part of the Chinatown Revitalisation Project, Town Beach redevelopment, youth bike precinct, KRO office building renewal, Hunter St road renewal, Short St drainage construction and unified communications project.
(The prior year commitment was for the construction of the new recreation centre).

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but

Payable:

- not later than one year	298,261	343,678
- later than one year but not later than five years	0	23,689
	298,261	367,367

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

17. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Meeting Fees	161,455	161,130	161,130
President's allowance	47,045	47,045	47,045
Deputy President's allowance	11,761	11,761	11,761
Travelling expenses	49,210	53,450	23,320
Telecommunications allowance	31,500	31,500	31,500
	<u>300,971</u>	<u>304,886</u>	<u>274,756</u>

Key Management Personnel (KMP) Compensation Disclosure

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

	2018 \$	2017 \$
Short-term employee benefits	744,067	900,958
Post-employment benefits	94,851	102,768
Other long-term benefits	9,900	14,667
Termination benefits	0	112,551
	<u>848,818</u>	<u>1,130,944</u>

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP.

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 guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:

	2018 \$	2017 \$
Sale of goods and services	285,708	175,050
Purchase of goods and services	80,696	6,139

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 elected member, are considered key management personnel.

ii. Entities subject to significant influence by the Shire

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

17. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2017/2018 financial year.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2017/2018 financial year.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

19. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽²⁾	Closing
	Balance ⁽¹⁾ 1/07/16	2016/17	2016/17	Balance ⁽¹⁾ 30/06/17	2017/18	2017/18	Balance ⁽¹⁾ 30/06/18
	\$	\$	\$	\$	\$	\$	\$
Governance							
Don't Zoom in Broome Project Grant	2,096	0	0	2,096	0	0	2,096
EDL sponsorship and spent	236,035	6,726	(32,400)	210,361	5,615	(33,605)	182,371
DLGC National Youth Week Grant	247	0	0	247	0	0	247
Midnight Basketball Contributions	0	0	0	0	6,546	0	6,546
Law, order, public safety							
FESA State Emergency Service & Volunteer Bush Fire Bridgade Operational and Grant funding	17,093	0	0	17,093	0	0	17,093
Health							
Clean Up Aboriginal Communities Operational Grant	16,136	0	0	16,136	0	0	16,136
Department of Health - FIMMWA Mosquito Control Advisory Committee Funding for Mosquito control	3,540	21,304	(17,870)	6,974	0	(4,390)	2,584
Education and welfare							
Office of Crime Prevention Grant - Community Safety & Crime Prevention Plan & LGA Partnership Fund - Initiative Lighting Up Anne St Precinct	3,832	0	0	3,832	0	0	3,832
Department of Attorney-General - Hypnertight Grant	2,500	0	0	2,500	0	0	2,500
Care of Families & Children Grants - Broome Iterants Strategy	9,507	0	0	9,507	0	0	9,507
Community amenities							
OTCAM Donation for Broome Cemetery Committee from Mollie Bean	150	0	0	150	0	0	150
Rangelands NRM Water Quality Monitoring Program - Protection of Environment	1,091	0	0	1,091	0	0	1,091
Landcorp Development Contributions Plan and Scheme Amendment	151,981	0	(89,605)	62,376	0	0	62,376
Department of Planning Coastal Hazard Risk Management and Adaption Plan	30,573	5,000	(35,573)	0	0	0	0
Regional Venue Programming & Business Development (Raise the Roof) Grant	0	0	0	0	160,000	0	160,000
Recreation and culture							
Parks and Ovals Grants - Lions Club BBO grant.	330	0	0	330	0	0	330
State Library of WA - Library Grant	19,266	28,784	(43,495)	4,555	7,000	(7,674)	3,881
Swimming Areas & Beaches - Entrance Point Jetty Planning Grant RBFS	38,300	0	0	38,300	0	0	38,300
Grant from Sport 4 All - Kidsport Grant	9,818	40,000	(40,000)	9,818	0	0	9,818
Landcorp Development Contribution BRAC aquatic upgrade	956,883	0	(825,139)	131,744	0	0	131,744

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

19. CONDITIONS OVER GRANTS/CONTRIBUTIONS (Continued)

Grant/Contribution	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
	Balance ⁽¹⁾ 1/07/16	2016/17	2016/17	Balance ⁽¹⁾ 30/06/17	2017/18	2017/18	Balance ⁽¹⁾ 30/06/18
	\$	\$	\$	\$	\$	\$	\$
Transport							
Road Maintenance - Office Native Title Morrell Park maintenance	251,074	0	(21,744)	229,330	0	(2,674)	226,656
Roads to Recovery Unspent Grant re Clementson St Upgrade Infra Stage 3	14,104	0	0	14,104	0	0	14,104
Roads to Recovery Unspent Grant re Unallocated	23,101	0	0	23,101	0	0	23,101
MRD Grant Remote Access Road Grant - (Broome - Cape Leveque Road)	1,006	0	0	1,006	0	0	1,006
Royalties for Regions Grant Lorricket Drive	140,755	0	(140,755)	0	0	0	0
Street Lighting Const Grant Undergrnd Power C/Town Upgrade	48	0	0	48	0	0	48
WALGA Grant Road Safety Activities	1,200	0	0	1,200	0	0	1,200
Black Spot Federal - Hamersley Napier	0	451,484	(45,746)	405,738	0	(405,738)	0
Crab Creek Road - Water Corporation contribution	0	762,000	(632,103)	129,897	0	(129,897)	0
Indigenous Access Roads Program Cape Leveque	0	0	0	0	235,667	(132,343)	103,324
Roads to Recovery - Hunter Street Stage 2	0	0	0	0	32,129	0	32,129
Economic services							
Tourism Grants - Visitors Center & Railway Line Project	50,000	0	0	50,000	0	0	50,000
Chinatown Revitalisation - Royalties for Regions	0	1,800,000	(1,141,102)	658,898	4,750,000	(1,814,010)	3,594,888
Chinatown Revitalisation - Tourism WA	0	133,000	0	133,000	267,000	0	400,000
Tourism WA - Black Waste Dump Point	0	58,000	(34,120)	23,880	0	(23,880)	0
Landcorp - Broome Growth Plan Partnership	0	0	0	0	100,356	(13,950)	86,406
Other property and services							
Rio Tinto Contribution Apprentice Incubation Programme	17,219	37,152	(33,021)	21,350	44,527	(24,228)	41,649
Total	1,997,885	3,343,450	(3,132,673)	2,208,662	5,608,840	(2,592,389)	5,225,113

Notes:

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

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

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

(4) - Grants/Contributions had been recognised as the restricted cash \$5,045,885 & reserves \$179,228, which will be expended in the manner specified by the contributor.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

20. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate											
Gross rental valuations											
GRV - Residential	9,7547	4,850	122,396,138	11,885,243	79,586	6,150	11,970,979	11,851,039	0	10,000	11,861,039
GRV - Residential - Vacant	15,7916	143	2,453,180	368,615	7,654	945	377,214	387,711	0	0	387,711
GRV - Commercial	10,7652	581	54,140,924	5,796,078	(12,521)	11,252	5,794,809	5,790,824	0	0	5,790,824
GRV - Tourism	14,9725	425	16,881,300	2,527,554	(44,155)	0	2,483,399	2,528,530	0	0	2,528,530
GRV - Exempt	0,0000	815	3,883,233	0	0	(1,009)	(1,009)	0	0	0	0
Unimproved valuations											
UV - Rural	0,6570	55	20,820,000	113,523	0	0	113,523	136,787	0	0	136,787
UV - Mining	12,3270	36	953,727	117,566	(27,741)	(24)	89,801	116,413	0	0	116,413
UV - Commercial Rural	3,0779	21	6,643,773	204,489	0	0	204,489	204,489	0	0	204,489
Sub-Total		6,926	228,172,275	21,013,068	2,823	17,314	21,033,205	21,015,793	0	10,000	21,025,793
Minimum payment											
Gross rental valuations											
GRV - Residential	1,220	91	2,179,160	111,020	0	0	111,020	89,060	0	0	89,060
GRV - Residential - Vacant	1,220	194	1,041,230	236,680	0	0	236,680	263,520	0	0	263,520
GRV - Commercial	1,220	26	355,624	31,720	0	0	31,720	31,720	0	0	31,720
GRV - Tourism	1,220	413	1,867,840	503,860	0	0	503,860	502,640	0	0	502,640
Unimproved valuations											
UV - Rural	1,220	4	191,300	4,880	0	0	4,880	4,880	0	0	4,880
UV - Mining	500	30	(221,045)	15,000	0	0	15,000	14,500	0	0	14,500
UV - Commercial Rural	1,220	2	28,300	2,440	0	0	2,440	2,440	0	0	2,440
Sub-Total		760	5,442,409	905,600	0	0	905,600	908,760	0	0	908,760
Discounts/concessions (refer note 20(b))		7,686	233,614,684	21,918,668	2,823	17,314	21,938,805	21,924,553	0	10,000	21,934,553
Total amount raised from general rates							(7,296)				(7,301)
							21,931,509				21,927,252

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

20. RATING INFORMATION (Continued)

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

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	Actual \$	Budget \$
General Rates	Concession	8.585%	978	978	978
General Rates	Concession	7.935%	5,336	5,339	5,339
General Rates	Concession	7.815%	982	984	984
			7,296	7,301	7,301

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Reasons for the Waiver or Concession
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UV - Coconut Wells	8.585% concession on all properties on unimproved values (UV) in the locality of Coconut Well	To ensure a consistent rate increase was maintained for these properties comparative to other properties within alternate UV rating categories, following changes to Differential Rating Categories initiated to remove reference to locality.
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UV - Twelve Mile	7.935% concession on all properties on unimproved values (UV) in the locality of Twelve Mile.	To ensure a consistent rate increase was maintained for these properties comparative to other properties within alternate UV rating categories, following changes to Differential Rating Categories initiated to remove reference to locality.
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UV - Horticulture Land Use	7.815% concession on all properties on unimproved values (UV) with Horticulture Land Use.	To ensure a consistent rate increase was maintained for these properties comparative to other properties within alternate UV rating categories, following changes to Differential Rating Categories initiated to remove reference to locality.
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Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

20. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
Option One				11.00%
Single full payment	23-Aug-17			
Option Two			5.50%	11.00%
First instalment	23-Aug-17			
Second instalment	10-Jan-18	7		
Option Three			5.50%	11.00%
First instalment	23-Aug-17			
Second instalment	25-Oct-17	7		
Third instalment	10-Jan-18	7		
Fourth instalment	14-Mar-18	7		

	2018	2018 Budget
	\$	\$
Interest on unpaid rates	150,320	130,000
Interest on instalment plan	132,895	100,000
Charges on instalment plan	40,978	40,000
Payment arrangement fee	7,505	0
	<u>331,698</u>	<u>270,000</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

21. NET CURRENT ASSETS

Composition of net current assets for the purposes of the Rate Setting Statement

	2018 (30 June 2018 Carried Forward)	2018 (1 July 2017 Brought Forward)	2017 (30 June 2017 Carried Forward)
	\$	\$	\$
Surplus/(Deficit) 1 July 17 brought forward	4,346,500	3,606,464	3,606,464
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	7,086,441	6,223,947	6,223,947
Restricted	38,046,906	31,382,437	31,382,437
Receivables			
Rates outstanding	794,223	1,004,624	1,004,624
Sundry debtors	903,729	525,385	525,385
GST receivable	292,871	185,579	185,579
Bonds and Deposits held by others	48,978	42,498	42,498
Other current Receivables	545,538	100,490	100,490
Allowance for impairment - rates	(106,676)	(99,881)	(99,881)
Allowance for impairment - sundry debtors	(23,948)	(25,805)	(25,805)
Inventories			
Fuel and materials	28,554	29,614	29,614
BRAC Stock	5,461	7,031	7,031
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(2,705,671)	(2,421,490)	(2,421,490)
Accrued interest on long term borrowings	(3,017)	(3,875)	(3,875)
Accrued salaries and wages	(444,752)	(421,666)	(421,666)
ATO liabilities	(13,239)	(31,864)	(31,864)
Excess Rates	(245,753)	(199,608)	(199,608)
Prepaid Rent, Grants and Services	(159,401)	(162,440)	(162,440)
Accrued Expenses	(1,034,877)	(513,119)	(513,119)
Current portion of long term borrowings	(619,827)	(592,743)	(592,743)
Provisions			
Provision for annual leave	(1,355,813)	(1,313,724)	(1,313,724)
Provision for long service leave	(858,333)	(712,020)	(712,020)
Unadjusted net current assets	40,181,394	33,003,370	33,003,370
Adjustments			
Less: Reserves - restricted cash	(38,046,906)	(31,382,437)	(31,382,437)
Add: Leave Liability not expected to be paid within 12 months	1,592,185	1,392,788	1,392,788
Add: Current portion of long term borrowings	619,827	592,743	592,743
Adjusted net current assets - surplus/(deficit)	4,346,500	3,606,464	3,606,464

Difference

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

22. FINANCIAL RISK MANAGEMENT

The Shire's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Shire's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Shire.

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	45,133,347	37,606,384	45,133,347	37,606,384
Receivables	2,472,145	1,749,950	2,454,715	1,749,950
	47,605,492	39,356,334	47,588,062	39,356,334
Financial liabilities				
Payables	4,606,710	3,754,062	4,606,710	3,754,062
Borrowings	2,319,238	2,911,980	2,404,836	3,050,194
	6,925,948	6,666,042	7,011,546	6,804,256

Fair value is determined as follows:

Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

22. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. Council has an Investment Policy and the Policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash is subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the Shire.

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by Local Government (Financial Management) Regulation 19C.

	2018	2017
Impact of a 1% ⁽¹⁾ movement in interest rates on cash	\$	\$
- Equity	451,333	376,064
- Statement of Comprehensive Income	451,333	376,064

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible interest rate movements.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

The Shire's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Shire's credit risk at balance date was:

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	0.2%	0.4%
- Overdue	99.8%	99.6%
Percentage of other receivables		
- Current	74.1%	97.2%
- Overdue	25.9%	2.8%

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) 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.

The contractual undiscounted cash flows of the Shire's Payables and Borrowings are set out in the Liquidity Table below:

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2018					
Payables	4,606,710	0	0	4,606,710	4,606,710
Borrowings	712,581	1,819,755	0	2,532,336	2,319,238
	5,319,291	1,819,755	0	7,139,046	6,925,948
2017					
Payables	3,754,062	0	0	3,754,062	3,754,062
Borrowings	712,581	2,532,336	0	3,244,917	2,911,980
	4,466,643	2,532,336	0	6,998,979	6,666,042

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables and borrowings (Continued)

Borrowings are also 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 following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

Year ended 30 June 2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Borrowings								
Fixed rate								
Long term borrowings	60,765	0	344,478	1,913,995	0	0	2,319,238	4.30%
Weighted average Effective interest rate	6.41%	0.00%	5.86%	3.95%	0.00%	0.00%		
Year ended 30 June 2017								
Borrowings								
Fixed rate								
Long term borrowings	0	117,814	0	446,662	2,347,504	0	2,911,980	4.34%
Weighted average Effective interest rate	0.00%	6.41%	0.00%	5.86%	3.95%	0.00%		

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

23. TRUST FUNDS

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

	1 July 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
Footpath Damage Deposits	32,276	0	0	32,276
Library Transient Borrower Deposits	69	0	0	69
Election Nomination Deposits	0	800	(800)	0
Civic Centre Takings	3,654	0	0	3,654
Other General Purpose Deposits	8,493	0	0	8,493
BCITF Collection & Refund Deposits	6,532	42,952	(48,665)	819
Town Planning Related Bond Deposits	106,207	0	0	106,207
Cemetery Plot Reservation Deposits	33,596	2,198	0	35,794
Recreation Facility use Bond Deposits	32,925	143,778	(127,408)	49,295
Road & Footpath Facilities Bond Deposits	506,946	0	0	506,946
Capital Works Bond Deposits	3,060	0	0	3,060
Cash In Lieu Of Public Open Space	99,876	0	0	99,876
Bank Guarantee Deposits Received	16,431	30,000	0	46,431
BRB Levy	5,948	44,642	(48,902)	1,688
Unclaimed Monies	19,523	60	0	19,583
Staff Rental Bonds	40,114	17,460	(10,480)	47,094
Key Deposits	2,545	0	0	2,545
Chinatown Revitalisation DRD Grant	9,169,409	73,546	(5,225,000)	4,017,955
	10,087,604	355,436	(5,461,255)	4,981,785

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

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

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

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

Notes:

(1) Applicable to reporting periods commencing on or after the given date.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

Title	Issued / Compiled	Applicable (1)	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

(1) Applicable to reporting periods commencing on or after the given date.

Adoption of New and Revised Accounting Standards

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

- (i) AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities
1 January 2017
- (ii) AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities
1 January 2017

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

25. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

26. ACTIVITIES/PROGRAMS

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

PROGRAM NAME	OBJECTIVE	ACTIVITIES
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 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, eating house inspection, pest control and child health clinics.
EDUCATION AND WELFARE	To provide services to disadvantaged persons, the elderly, children and youth.	Facilities for senior citizens aged care, infant, day care centres, pre-school; assistance to play group and other community services and development activities.
HOUSING	To provide and maintain staff housing.	Provision of staff housing.
COMMUNITY AMENITIES	To provide services required by the community.	Rubbish collection services, tip operation, administration of the town planning scheme, maintenance of cemeteries, storm water drainage maintenance, sanitation maintenance and environmental protection.
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resource which will help the social being of the community.	Operation/maintenance of halls, Broome Recreation and Aquatic Centre (BRAC), various parks and reserves, beaches, library, museum and other cultural activities.
TRANSPORT	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges, footpaths and street lighting.
ECONOMIC SERVICES	To help promote the Council's economic well being.	The regulation and provision of tourism facilities, area promotion and building control.
OTHER PROPERTY AND SERVICES	To monitor and control Council's overheads operating accounts.	Private works and provision of unclassified civic building facilities. General Administration support for Council's operations, allocated to other functions. Engineering, works and parks and gardens management, allocated to construction and maintenance jobs. Plant and depot operation and maintenance, allocated to construction and maintenance jobs.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2018

27. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	1.64	1.61	1.14
Asset consumption ratio	0.88	0.71	0.72
Asset renewal funding ratio	1.37	1.17	1.67
Asset sustainability ratio	0.22	0.66	0.29
Debt service cover ratio	11.86	8.50	5.97
Operating surplus ratio	(0.13)	(0.12)	(0.14)
Own source revenue coverage ratio	0.81	0.78	0.81

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	1,438,384	1,485,897	0
Amount of Financial Assistance Grant received in prior year relating to current year.	1,485,897	0	1,486,197

If the events detailed above did not occur, the impacted ratios in the 2018, 2017 and 2016 columns above would be as follows:

	2018	2017	2016
Current ratio	1.39	1.31	1.14
Debt service cover ratio	11.93	7.05	7.21
Operating surplus ratio	(0.13)	(0.16)	(0.10)
Own source revenue coverage ratio	0.81	0.78	0.81

Independent Audit Report

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INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF BROOME

Opinion

We have audited the accompanying financial report of the Shire of Broome (the Shire), which comprises the Statement of Financial Position as at 30 June 2018, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and the Rate Setting Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Chief Executive Officer.

In our opinion, the financial report of the Shire of Broome:

- i. is based on proper accounts and reports; and
- ii. fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the Local Government Act 1995 (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Shire in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation

We draw attention to Note 1 to the financial report, which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. Our opinion is not modified in respect of this matter.

Responsibilities of the Chief Executive Officer and Council for the Financial Report

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that 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 and 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.

Independent Audit Report

MOORE STEPHENS

INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF BROOME (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives of the 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 our 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Audit Report

MOORE STEPHENS

**INDEPENDENT AUDITOR'S REPORT
TO THE COUNCILLORS OF THE SHIRE OF BROOME (CONTINUED)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- i. All required information and explanations were obtained by us.
- ii. All audit procedures were satisfactorily completed in conducting our audit.
- iii. In my opinion, the asset consumption ratio and the asset renewal ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Broome for the year ended 30 June 2018 included 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 described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



GREGORY GODWIN
PARTNER

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 10th day of October 2018.

Feedback

If you have a comment or questions about the Annual Report here's how to contact us

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