

Shire of Broome Annual Report



For the financial year
2011/2012

What is the Annual Report?

The Annual Report provides an overview of the Shire's operations and compliance with policy and legislation as required by the Local Government Act 1995 and associated regulations.

This Annual Report for 2011/12 provides an overview of the operations, activities and major projects undertaken by the Shire for that period, and includes major initiatives that are proposed to commence or to continue in the next financial year. The performance of the Council is assessed against the Vision, Objectives and Strategies as set out in the Shire of Broome 2011-2016 Strategic and Corporate Plan – Plan for the Future – Forging Ahead (The Plan).

The Plan provides strategic focus for elected members and the organisation and affirms its commitments to the community and includes major projects and every day activities.

This report reflects the Goals, Strategies and Outcomes for the Shire of Broome's Plan for the Future.

Our Vision

A thriving and friendly community that recognises our history and embraces cultural diversity and economic opportunity, whilst 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 that they influence are also essential when creating a strong and well respected Corporate Brand both internally and externally. During the revision period of the current Plan, the following values have emerged which will be integrated into the performance management framework.

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.

Did you know that in 2011/12

- During 2011/12 people swam in the Broome Recreation and Aquatic Centre pool 60,000 times.
- There were 75,399 visits to the Broome Public Library.
- BRAC provided swimming lessons for almost 1000 students, hosted 50 birthday parties, eight school swimming carnivals and prepared 4725 serves of chips.
- There were 66,505 items issued to library members, 742 attendees of Story Time sessions while another 495 people attended other events in the library.

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Message from the Shire President



Councillors and staff have continued to work hard in 2011/12 to provide a high level of service to the community in difficult economic conditions and without imposing a significant financial burden. As such, the increase in rates was kept to 4.95 per cent - a very pleasing result given the significant projects underway including the construction of the new Broome Civic Centre and a significant program of improvements to Shire assets and infrastructure.

The Shire of Broome continues to face the same staffing issues as other organisations throughout the town, but there were some significant achievements in the past year which are a testament to the desirability of both Broome and employment with the

Shire. Chief Executive Officer Kenn Donohoe has been signed to continue working for the Shire of Broome for a further five years. Kenn's leadership of the Shire of Broome has been instrumental in its excellent performance, and his extended appointment will bring further stability.

Several significant recruits to the Shire of Broome during 2011/12 have brought with them valuable experience and expertise, including former Town of Port Hedland CEO Paul Martin in the role of Deputy CEO and Director of Strategy, Business and Community Development, and Andre Schonfeldt in the role of Director of Development Services.

These staff will be instrumental in advising Council as it plans for the long-term future of the Shire, with major planning strategies in the pipeline for Chinatown, Cable Beach and the Shire's 30-year vision, which are all being drafted at present.

The Council has continued to support the Shire's many community groups, contributing just over \$75,000 to 36 different organisations through the annual Community Sponsorship Program, on top of sponsorship of major cultural events such as Shinju Matsuri, North West Expo, Kullarri NAIDOC and the final performance of Worn Art.

One of my great privileges as Shire President is to conduct Citizenship Ceremonies on behalf of the Commonwealth Department of Immigration and Citizenship for those from abroad who have chosen to make Australia their homes. In 2011/12 the Shire of Broome welcomed a remarkable 39 new Australian citizens from more than 17 countries.

Finally, in 2011/12 the Shire of Broome recognised one of its great benefactors when it conferred on Lord Alistair McAlpine the title of Freeman of the Shire of Broome. A significant community effort and financial sponsorship brought Lord McAlpine back to Broome in a move that also generated considerable positive publicity for the town. Lord McAlpine's legacy lives on in Broome and continues to serve the town well, and this honour was well deserved.

Please take the time to read this Annual Report as it is a summary of what the Shire has achieved on behalf of its residents and ratepayers and provides an excellent insight to the ongoing work that is being done in the community.

Graeme Campbell, Shire President



The Shire of Broome continued its support of Kullarri NAIDOC in 2011/12.

Message from the Chief Executive Officer



This annual report brings together the achievements of the Shire of Broome in the 2011/12 year, as well as highlighting some of the challenges faced and opportunities that present themselves into the future. Significant capital investments during 2011/12 have included a new mosquito mister, street sweeper, sound level meter and waste oil storage at the Waste Management Facility, all of which will provide tangible improvements to the level of service the Shire can provide and to the quality of life of residents. In partnership with Mamabulanjin Aboriginal Corporation, Horizon Power and WA Police, the Shire of Broome rolled out the Lighting Up Anne Street project in a practical bid to improve public safety in a known "hot spot".

Work on the new Broome Civic Centre has continued and was nearing completion by the end of the 2011/12 year. This exciting project will deliver to the Broome community a state-of-the-art venue that will provide for its needs well into the future.

Environmental considerations have been paramount and initiatives include a solar panel array capable of powering the civic centre plus the Shire Administration building and Broome Public Library. Recycled flooring has been utilised in the main hall and a host of power-saving measures have been incorporated into the design. The new Broome Civic Centre is due to open to the public in October 2012.

Preparatory work continues to be done on the agreement with the State and Federal Governments to hand over to local government the responsibility for delivering municipal services to Indigenous communities. Local government, including the Shire of Broome, continues to push for greater financial assistance and co-operation from the other tiers of government so these services can be delivered effectively and without undue impost on Broome's ratepayers and Shire resources.

I was deeply proud of the role played by the Shire of Broome in commemorating the 70th Anniversary of the Air Raid on Broome on March 3, 2012. This moving and significant event attracted guests from around Australia and the world, and was also strongly supported by the Broome community. The Shire worked with the Broome RSL, Broome Historical Society and a range of other groups to put on the commemorations which were roundly praised by those in attendance.

Among those we were honoured to welcome to our town were air raid survivors Elly Doeland-Koens, Piet Koens, Henk Hasselo and Frits van Hulssen. Other notable guests included Kingdom of the Netherlands Ambassador Willem Andreae, US Consul-General Aleisha Woodward, Anzac Centenary Advisory Board Chair Air Chief Marshal Angus Houston, Special Minister of State Gary Gray and WA Premier Colin Barnett.

My thanks to the many staff who have contributed to achieving the Council's goals and aspirations for a fiscally responsible delivery of service. It is a pleasure to work with Council in delivering their vision and aspirations for the community.

KR Donohoe, Chief Executive Officer



The Shire of Broome hosted the launch of the 2012 Regional Achievement and Community Awards.

About Council

Our Elected Members

The Council of the Shire of Broome consists of nine elected members. Council 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 role of Councillors 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.

Council and Committee Meetings

Ordinary meetings of Council are held approximately every fourth Thursday, beginning 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.

Council agendas and minutes are available at www.broome.wa.gov.au

Councillor	Term Expires	Ward
Cr Graeme Campbell, Shire President	2011	Broome
Cr Chris Mitchell JP, Deputy Shire President	2011	
Cr Jenny Bloom	2013	
Cr Ross de Wit	2011	
Cr Robert Lander	2011	
Cr Desiree Male	2013	
Cr Eunice Yu	2013	
Cr Elsta Foy	2011	Dampier
Cr Peter Matsumoto	2013	

A Council election was held on 15 October 2011.

A total of 2607 electors cast a ballot paper for the Broome Ward, of which six were informal. The participation rate was 44.03 per cent which was higher than the 2009 participation rate of 33.44 per cent.

A total of 327 votes were cast for the Dampier Ward, of which one was informal. The participation rate was 25.5 per cent, which was higher than the 2009 participation rate of 22.17 per cent.

Crs Campbell and Mitchell were re-elected and the three new Councillors elected were Crs Manado, Philip Matsumoto and Poelina. These Councillors were elected for a four-year term.



Broome Shire President Graeme Campbell launches the 2012 Regional Achievement and Community Awards.

About Council

Councillor	Term Expires	Ward
Cr Graeme Campbell, Shire President	2015	Broome
Cr Anne Poelina, Deputy Shire President	2015	
Cr Jenny Bloom	2013	
Cr Desiree Male	2013	
Cr Mark Manado	2015	
Cr Chris Mitchell, JP	2015	
Cr Eunice Yu	2013	
Cr Peter Matsumoto	2013	Dampier
Cr Philip Matsumoto	2015	

Council Meeting Attendance 2011/12

Councillor	No. Of Meetings To Attend (OCM's/SCM's)	Attended	Non-Attendance	Apology/LOA
Cr Graeme Campbell (re-elected 15 Oct 11)	21	20		1
Cr Anne Poelina (elected 15 Oct 11)	15	9		6
Cr Jenny Bloom	21	15		6
Cr Ross de Wit (term expired 15 Oct 11)	6	4		2
Cr Elsta Foy (term expired 15 Oct 11)	6	2		4
Cr Robert Lander (term expired 15 Oct 11)	6	6		
Cr Desiree Male	21	13		8
Cr Mark Manado (elected 15 Oct 11)	15	11	2	2
Cr Chris Mitchell, JP (re-elected 15 Oct 11)	21	17		4
Cr Eunice Yu	21	18		3
Cr Peter Matsumoto	21	19		3
Cr Philip Matsumoto (elected 15 Oct 11)	15	13		2

Broome Snapshot

The Shire of Broome forms part of the Kimberley region of Western Australia.

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

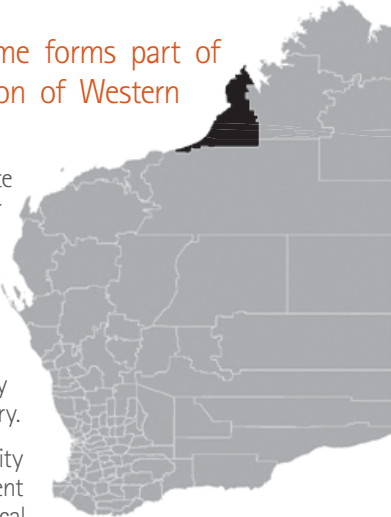
The Shire's cultural diversity is immediately apparent with influences from local Indigenous and Asian cultures including Japanese, Malaysian, Thai, Filipino and Chinese.

The Shire of Broome comprises 56,000sqkm of desert, coastline and bushland. With a population of approximately 14,997, this equates to a density of 3sqkm for every person in comparison to 282 people per square kilometre within the Perth metropolitan area.

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, the 130 million year old dinosaur footprints at Gantheaume Point, the Courthouse Markets, guided tours into the history of Broome's pearling history, the heritage-listed Sun Pictures and the internationally renowned Cable Beach.

Living in Broome

With education facilities, restaurants, shopping centres, medical centres and a 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 as a desirable location to live, in the past few years demand for affordable housing has not been able to be met. The establishment of Broome North is helping ensure an ongoing supply of reasonably priced land in Broome with the capacity to provide several thousand 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. Expansion of these sectors will generate economic growth for the region offering greater employment opportunities.



The Shire of Broome welcomed 39 new Australian citizens in 2011/12.



Gantheaume Point Broome.

About the Shire of Broome

The Chief Executive Officer, Kenn Donohoe, 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 human resources, media and promotions staff report directly to the CEO.

At the start of 2011/12 the Shire had a management structure of four directorates: Business Enterprise, Property and Strategy Development; Corporate and Community Services; Development Services; and Engineering Services. During 2012, Community Services was incorporated into the directorate of Business Enterprise, Property and Strategy Development in a restructure aimed at best utilising staff expertise. 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.

Business Enterprise, Property and Strategy Development, Community Services

This directorate was created in the 2010/11 financial year and is comprised of specialist staff in the areas of asset and property management and leasing, as well as project management.

Community Services is comprised of specialist staff in the areas of community development, including libraries, sponsorship and donations, disability access and inclusion, sport and recreation, youth, culture and the arts.

Deputy Chief Executive Officer Paul Martin started with the Shire on 30 April 2012 and is Director of Business, Strategy Development and Community.

Corporate Services

Corporate Services provides technical and support services to the organisation and elected members. As well as co-ordinating Shire administration, finance, human resources, information technology and records management, it also undertakes cemetery management, rates, customer service and asset management.

The position of Director of Corporate Services was vacant at the end of 2011/12.

Development Services

The Development Services Directorate provides building, planning, health, environmental, beach, ranger and emergency services across the Shire. These departments aim 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. The Director of Development Services, Andre Schonfeldt, commenced with the Shire on 5 October 2011.

Engineering Services

The Engineering Services Directorate is responsible for most of the Shire's technical services in the form of the construction and maintenance of the physical infrastructure excluding the Shire's buildings. Engineering Services is responsible for roads, footpaths, drainage, car parking, street lighting, street furniture, depot and nursery, wastewater effluent re-use system, recreation reserves, parks and ovals, road verges, reticulation systems and bores, and cemetery maintenance.

The position of Director of Engineering Services was vacant at the end of 2011/12.

About the Shire of Broome

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 give direction to Council and guide the future of the Shire of Broome.

Plan for the Future

The Plan for the Future is a requirement of the Local Government Act (1995). The plan sets out the vision, mission and values the organisation intends to operate by when delivering services to the community and aligns its major projects and activities to those philosophies.

The Act requires a local government set out the major capital projects it intends to deliver in the foreseeable future.

In February 2011 Council adopted The Plan for the Future – Forging Ahead Draft Strategic and Corporate Plan 2011–2016 and requested that the draft plan proceed to community consultation stage. Following community consultation the Strategic and Corporate Plan 2011–2016 was adopted by Council at its Ordinary Meeting of 7 July 2011.

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 2011/12, the report provides an overview of the activities of the Shire in the previous 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 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.



The Shire Works Depot farewelled Mohd 'Manu' Bin Omar after 36 years of service.

2011/12 Year in Review

This report summarises the Shire of Broome's progress during the 2011/12 financial year toward attaining the goals, strategies and outcomes set out in the Shire's Plan for the Future.



Our People

The Shire of Broome aims to foster a community environment that is accessible, affordable, inclusive, healthy and safe. These are the strategies put in place to achieve this, and a summary of progress made during 2011/12.

1.1: Encourage Communication

Community Sponsorship Program

The Shire runs two streams of community sponsorship. The annual Community Sponsorship program, which is open from October to February each year, aims to empower community groups to more effectively deliver their projects and build strength through promoting independence, skills and sustainability. The Ad Hoc sponsorship program, which is open throughout the year, allows organisations to access funding up to \$1000 to assist with smaller initiatives.

In 2011/12 the Shire contributed \$75,050 to 36 community organisations to deliver community programs and events.

In addition, the Shire of Broome continued to sponsor and support large scale festivals and events in Broome including the North West Expo, Kullarri NAIDOC Festival, Worn Art and the Shinju Matsuri Festival.

Media

The Shire of Broome works proactively with media outlets both through news content and paid advertising to keep the community informed of its activities. The Shire has also utilised current and emergent communications technology with the launch of Facebook pages for the Shire of Broome and the Broome Recreation and Aquatic Centre, updated regularly with useful information. Development of the Shire of Broome website has also continued and it is a reliable source for a broad range of information.



Councillors Mitchell, Bloom, Campbell, Yu and Manado with Mining and Pastoral MLC Ken Baston at the new Broome Civic Centre site.

The Shire of Broome continues to produce through a contractor an annual directory that is provided free to householders and businesses. This directory is an exhaustive source of information, and also a source of revenue for the Shire of Broome.

Broome Public Library

The Broome Public Library added SMS notifications to its range of communication options. Reservations and overdue notices are sent out each morning the library is operating, and in the first six months of operation it meant 1244 notifications were not delivered by mail or phone calls.

School Visits

The Shire facilitates visits by school groups including mock council meetings. During 2011/12 Environmental Health Services educated students about their role in protecting public health and how they use equipment to monitor the environment for potential risks to health. This culminated in an assessment of noise generated by the students using sound level meters.

1.2: Identify affordable services and initiatives to satisfy community needs

Disability Access and Inclusion

The Shire of Broome's Access and Inclusion Advisory Committee continued to implement a plan that identified access barriers for people with disabilities and proposed solutions to ensure equal access to local government services and facilities.

The Access and Inclusion Advisory Committee provides advice to Council on the development, implementation, review and evaluation of the Disability Access and Inclusion Plan to ensure Council meets its obligations under the Disability Services Act 2004.

The Access and Inclusion Committee is required to meet four times a year. Five meetings were held across the 2011/12 financial year and projects that have progressed through the advice of this committee include:

- Funding for a new storage facility for the Platypus Wheelchair at Town Beach. The Shire also has two beach wheelchairs available for loan to individuals who require support in enjoying Broome's beaches. Having two options also allows patrons to choose the way they prefer to interact at the beach.
- Footpath Audits and Crossings
- Installation of four new ACROD parking bays at Dampier Terrace, Short Street, outside Matso's and the Anglican Church in Hamersley Street. Issues were also rectified at Broome Primary School.

- Installation of 14 pram ramps and repairs to more than 1km of footpaths in Hamersley, Herbert and Louis Streets, Six Seasons and Roebuck Estate.

A number of policies, forums and other information have been linked through the Access and Inclusion Advisory Committee.

As part of the "You're Welcome WA Access Initiative" the Shire website continues to provide people with disabilities access to information about a wide range of facilities in the Broome area including accommodation, restaurants, cinemas, car parks, beaches and shopping areas. This resource is supported by the Disabilities Services Commission and the Local Government Association, and helps to meet the needs of the nearly 20 per cent of people in WA with a disability. The Access and Inclusion Plan is also available from the Shire of Broome website.

Disability access and inclusion information continues to be included in staff induction packages and on the intranet. Similar information has also been included in the Shire's event package.

International Day of People with a Disability

The Shire held a morning tea to acknowledge Disability Awareness Week (November 27 – December 3, 2011) and International Day of Person with a Disability (December 3, 2011).

The event was open to the public and was an opportunity for the Shire and wider Broome community to acknowledge the fantastic inclusive community projects and achievements in town.

The Shire paid tribute to its community members who had a disability and who continued to contribute to Broome and add value to it.

The event also served as a fitting occasion to present an award to Peter Moore, who has worked with the Shire's Records and Library teams for 10 years, and who despite his vision impairment has come in week after week, year after year and performed his role.

This morning tea coincided with other events provided by the Disability Services Commission and Kimberley Individual and Family Support Association (KIFSA), Life Without Barriers, Kimberley Personnel and Goolarri Media.

Broome Public Library

Library services are provided free and there are more than 20,000 titles, jigsaws, puppets, CDs and DVDs as well as special collections available. In 2011/12 there were 75,399 visits by adults and children to the library.

The free internet service is well used by residents and visitors. This service provides access to up-to-date reference materials as well as social media formats. The immediacy of this information format has changed the level of non-fiction materials purchased by the library. This allows us to concentrate collection development in areas most used by library borrowers.

A remote borrower service is available and uses the postal service for residents living outside the township. In addition access is available 24/7 to authoritative information through its webpage and online databases.



The Broome Public Library continued to host successful events in 2011/12.

Our People

Events Organised or Assisted by the Shire of Broome

- Staircase Markets at Town Beach. The Shire of Broome has implemented and operated a traffic management plan at these markets since August 2011 to improve public safety.
- The inaugural Be Active BRAC to Beach Fun Run.
- Opera Under the Stars 2011.
- The inaugural Cable Beach Invitational basketball tournament held within the Cable Beach Reserve.
- Shinju Matsuri 2011 – the Shire is a major sponsor of this community festival and 2011 was a great success.
- Worn Art – another community event that the Shire supported, with 2011 marking the final year for Worn Art.
- Australia Day 2012 – a great morning for the town of Broome with the combined service clubs breakfast, citizenship ceremonies, Australia Day Active Citizenship awards, thong throwing competition and live music.
- Broome Air Raid 70th Anniversary – a moving commemorative service attended by Special Minister of State Gary Gray, Air Chief Marshall Angus Houston, Dutch Ambassador Willem Andreae, US Consul General Aleisha Woodward and WA Premier Colin Barnett, along with survivors and family members of those present during the attack. The Shire of Broome received high praise for the event, most notably from Air Chief Marshall Houston, Chair of the Anzac Centenary Committee, who said he would recommend the model used by Broome be followed during the 100th celebration of the Anzacs.
- Freeman of the Shire of Broome conferred on Lord Alistair McAlpine – the return of Lord McAlpine to Broome for this event generated considerable positive publicity for Broome.
- NW Expo – another great event showcasing what the region has on offer. The Shire is a Gold Sponsor of this event.

Along with these big events, a host of smaller events were supported including: International Women's Day, National Families Week, travelling carnivals, sporting events/carnivals, weddings, conferences and live music events. This serves to entrench the Shire within the Broome community and build on its reputation for supporting and giving to the community. The variety of these events helps to ensure there are different interests groups catered for. The future is looking bright with strong enquiries for 2013 and a new facility about to be completed.

1.3: Create community spaces

Broome Civic Centre

After 36 years of hosting wedding receptions, concerts and community events, the old Civic Centre closed its doors on February 12, 2009. Officially opened in 1973, the Civic Centre was designed as a town hall but over time was no longer in demand as the venue of choice. It no longer met hirers' expectations, with inadequate acoustics and lack of air conditioning, and did not meet public health and safety requirements, making it unsuitable for hire.

In 2005 an Arts Advisory Committee was formed to work through expectations and ideas for a new or refurbished venue. By 2009 a tender process was endorsed followed by a structural engineering report in 2010. At an Ordinary Meeting of Council on November 25, 2010, Council adopted the terms of the proposed Department of Culture and the Arts Grant Agreement for the redevelopment of the Broome Civic Centre as the Broome Multicultural Arts and Community Venue.

The iconic and much-loved old civic centre is now undergoing an \$11million transformation to turn it into a state-of-the-art facility. The addition of a Garden Theatre provides a unique facility offering tiered seating and space for up to 250 people, and a small stage under the arched, semi-transparent roof and partial walls to provide a relaxed, open-air venue that allows users to enjoy the beautiful climate. Inside the Main Hall patrons will experience greatly improved acoustics and air conditioning, a bigger stage, technical upgrades and a sparkling fit-out including 350 chairs and tables to suit many occasions and layouts at competitive hire rates.

An exciting public competition was hosted to find a name for the new venue. A working group is co-ordinating an opening program to encompass testing of the venue by community groups and individuals, a public open day, and an official opening in conjunction with the State Government in October 2012.



Work on the new Broome Civic Centre neared completion in 2011/12.

Open Space Management Plan

Open Space Management Plan Stage One

Stage One was progressed in 2011/12 with the achievement of an asset register for open space and drainage reserves, and six agreed categories for open space:

- Organised sport and destination parks.
- Other reticulated parks.
- Un-reticulated parks.
- Natural parks or open space.
- Cemeteries.
- Drainage swales.

Another outcome is the preparation of three levels of service against the above categories that will guide the standard of maintenance activities for each open space. The mapping of the above outcomes on IntraMaps will allow Council the opportunity to now make informed strategic decisions in regard to service levels on open space across the townsite.

Open Space Management Plan Stage Two

The next stage of this project in 2012/13 will result in quantifying the cost of each level of service, allowing the modelling of the effect on expenditure with the adjustment of levels of service up or down. This will allow input into the long-term financial planning and annual budget requirements for Parks and Gardens activities.

There will be further improvements made to the IntraMaps asset module to capture all category types and areas on each open space reserve.

Stage Two will also include the pick-up of open space assets (playgrounds, furniture, etc.) and drainage assets will be surveyed and asset registers put in place for this asset class.

1.4: Encourage recreational activity

Broome Recreation and Aquatic Centre

The Broome Recreation and Aquatic Centre (BRAC) has again been busy as the Shire's main sport, recreation and leisure centre. BRAC has provided opportunities for the whole community to utilise the facilities for everything from a family swim, to competitive sport or a place to worship and learn. 2011/12 has been the first full year in which all new fields and pavilion facilities have been enjoyed by the community. Father McMahon Field, the Glenn and Pat Medlend Pavilion and BRAC also hosted the AFL's West Coast Eagles in November 2011. The Eagles held training sessions and coaching clinics on the fields and used the pool for a cool down.

Programs and Users

BRAC continues to offer social recreational programs for participants wanting to play a sport without the commitment of joining clubs. Ongoing programs such as badminton, mixed netball, group fitness classes, school holiday programs and the swim school have again performed well, and new activities such as adult swim squads, mixed volleyball and junior lifeguard club are providing more opportunities for a wider variety of participants at BRAC.

Swim Lessons

In 2011/12, the Broome Aquatic Swim School trialled a full-time program co-ordinator which proved a big success. The program expanded and provided aquatic lessons for almost 1000 participants.

Group Fitness

BRAC has maintained its reputation as a quality provider of effective and affordable fitness classes. Lite Pace aqua classes have remained one of BRAC's most popular programs. The professional and entertaining leaders have maintained steady class numbers. BRAC runs a wet and dry season program that offers opportunities for the whole community including aquatic classes for varying levels of fitness, and land-based classes for those wanting something different.

Holiday Program

BRAC's School Holiday Program has remained very popular with the 6-12 age group. In 2011/12 more than 1400 children took part in sports, arts and crafts, pool activities, cooking challenges and socialising. A new team of leaders from Broome's high schools have proven popular with the kids and are developing into key BRAC personnel. With theme-based programs such as the Olympic Games holiday program, children have a theme to focus on for the duration of the program.

Creche

Li'l Crocs Crèche continues to provide a safe and caring option for BRAC users. Staff are on site weekdays from 8am to 11am. With a new soft floor outside and a new set of toys, the crèche is loved by kids and their parents.

BRAC also hosted two commercial childcare operations - Mulberry Tree and Broome Out Of School Care Children's Activities (BOSCCA), while their usual premises were refurbished. Feedback from both groups was positive about the time at BRAC and the versatility of the facilities.

Our People

Sporting Clubs

BRAC hosted many of Broome's sporting groups by providing facilities for their sporting activities. Regular users of BRAC are:

- Broome Tennis Club.
- Broome Basketball Association Inc.
- Broome Netball Association.
- Broome Barracudas Swimming Club.
- Broome Hockey Association.
- Broome Little Athletics.
- Broome Soccer Association.
- Broome Squash Club.
- Broome Touch Association.
- Broome Water Polo Association.
- West Kimberley Football League.
- West Kimberley Junior Football Council.
- Auskick

BRAC also hosts non-sporting groups including:

- Theatre Kimberley
- Red Earth Martial Arts
- Kimberley Family Full Gospel Church
- Forward in Faith Ministries

Schools

BRAC is always a popular venue for Broome's schools. This year it was used for seven school swimming carnivals, aquatic education and training, basketball and netball carnivals including the Vibe 3 on 3 and for end-of-year class parties.

More significantly, the mid-year Kimberley Cup brought together students and teachers from all Kimberley towns and communities for a four-day sporting festival including football, touch rugby, netball, mixed netball, basketball (M/F), mixed basketball, volleyball and indoor soccer using the majority of BRAC's facilities. This year more than 1000 students visited during the event.

North West Expo 2012

The 2012 North West Expo attracted about 6000 patrons and about 200 people to man exhibits. BRAC worked closely with event organisers and played a big part in the event's success. The Shire of Broome also hosted an exhibit providing visitors with free native seedlings and advice about services to the community.

Rottneest Virtual Swim

In February 2012 BRAC held the Virtual Rottneest Island Swim for the second time. It generated great interest and more than 100 swimmers took part in the 800-lap event. Most competed as a team but one lone swimmer, Ian McGregor from NSW, swam the entire distance solo in six hours and 38 minutes. Once again the kids from the Broome Barracudas Swim Club won the event in

the amazing time of four hours and 28 minutes. The event raised about \$650 for the Royal Flying Doctor Service.

Management Access Plan for Peter Haynes Reserve

Council approved a Management Access Plan for Peter Haynes Reserve (Haynes Oval). The plan will outline to residents and user groups how this facility is able to be scheduled and accessed. Due to the different stakeholders interested in accessing this sporting precinct, the plan will assist the Shire, user groups, and members of the community. The nearby Broome Senior High School has exclusive access to the site during school hours.

Club Development

In partnership with the Department of Sport and Recreation, the Shire continued to host a Club Development Officer to assist sporting and recreation clubs to improve their governance and management practises and to promote participation.

Club development workshops and events

- Broome Club Management Guide released 2011
- Broome Sports Association – Sports Awards, November 2011
- Sporting Club/Associations Committee Member Breakfast, February 2012
- Planning for Success – Strategic planning for sporting clubs, March 2012
- Committee Boot Camp – Developing strong volunteer committee structures, March 2012
- Alcohol Management – Successfully managing alcohol in sporting clubs, March 2012
- Basic First Aid for Sport and Recreation Volunteers, May 2012

Facility development projects

- Philip Matsumoto Courts upgrade
- Construction of Pat and Glenn Medlend Pavilion
- Installation of cricket pitch at Nipper Roe Sports Field

Funding attracted from Department of Sport and Recreation

- Broome Horse Riders Club – Upgrade/development of Jack Knox Arena CSRFF Small Grants
- Cricket net upgrade and installation (Haynes Oval and Nipper Roe Sports Field)
- Upgrade of courts at Broome Youth Drop in Centre
- BRAC Master Plan review
- KidSport Program

1.5: Facilitate a safe environment

Lighting Up Anne Street

Early in 2012 funding was received to improve lighting in the Anne Street precinct thanks to a pioneering partnership between the Shire of Broome, Mamabulanjin Aboriginal Corporation, WA Police and Horizon Power. The initiative, which cost nearly \$42,000, aimed at reducing crime in this identified "hot spot" by increasing the number of lights in key areas, making it harder for people to "hide" or go unseen at night. Light poles were upgraded in Anne Street and Matsumoto Street to provide brighter, more dispersed lighting.

Mosquito Management Strategy

The Shire's Environmental Health Services implemented a Mosquito Management Strategy that was adopted by Council in September 2011. This strategy outlines action taken by Environmental Health Officers (EHOs) to monitor the risk of disease by vector mosquitoes and actions that can be taken to minimise the risk to public health. EHOs completed twice-weekly adult mosquito trapping during the peak mosquito breeding season. This monitoring highlighted that there were significant mosquito numbers in the environment with the predominant species not a vector of disease. Chemical application in the environment was not considered an appropriate control method in this situation.

Helping Young People Engage (HYPE)

The Shire continued to support the Helping Young People Engage (HYPE) project and in 2011 submitted a successful application for funds from the Criminal Property Confiscation Grants Program in partnership with Save the Children (STC). A Memorandum of Understanding between the Shire and STC was developed to allow STC to take over the management and co-ordination of the project with the Shire of Broome auspicing grant funds. Shire officers continued to sit on the management committee of the HYPE project.

HYPE aims to prevent antisocial and offending behaviour on the streets of Broome by building positive partnerships between young people, service providers, Council, police and community members. HYPE youth liaison workers patrolled the streets on Thursday, Friday and Saturday nights between 7pm and 1am, interacting with youth, acting as positive role models and attempting to divert and intervene to prevent negative social behaviour, especially violent "mob" activities. HYPE workers then report on the activities and trends which are issued to the management team, with referrals for certain at-risk youth to appropriate social service and support agencies available to them in Broome.

1.6: Nurture and build social capital to increase community capacity

Welcoming New Citizens

The Shire of Broome conducted four Citizenship Ceremonies in 2011/12 at which 39 people became Australian Citizens. The participants were from countries including Egypt, France, Thailand, Nepal, Ecuador, Thailand, Kenya, Afghanistan, Zimbabwe, Philippines, Papua New Guinea, United Kingdom, United States, Britain, Netherlands, Pakistan and South Africa.

New citizens pledge their loyalty to Australia in a ceremony conducted by Broome Shire President Graeme Campbell in front of their friends, family and community members. They are presented with a symbolic memento to mark the occasion.

An introduction to the official protocol in 2011/12 was a welcome by the Yawuru community and the issuing of a certificate from them as Traditional Owners. The Shire encourages people of all cultures to join the Broome community and share their heritage.



The Shire of Broome welcomed 39 new citizens at four ceremonies in 2011/12.

Our Place

The Shire of Broome aims to help protect the natural and built environment and cultural heritage of Broome while recognising the unique sense of the place. These are the strategies put in place to achieve this, and a summary of progress made during 2011/12.

2.1: Engage with local community by presenting realistic and sustainable land use strategies for the Shire within the state and national frameworks.

The subdued economic environment was again reflected in the volume and type of development applications received by the Shire of Broome in 2011/12. Overall there was a 13 per cent decrease in planning approvals from the previous year. Again, the majority of applications (67) were for residential development (single dwellings or group housing). The industrial sector (with a total of 27 applications) was the next most active sector. The remaining applications ranged from Commercial Development (16), Rural Pursuits (5) to a wide spread across Signage, Ancillary Accommodation, Bed and Breakfast, Caretakers' Accommodation, Change of Use, Tourist, Home Occupation and Home Business.

Outside of the Broome township, within the Interim Development Order No 4 area, 12 applications were received. These included tourism accommodation, an office, and an extension to an aquaculture facility. Shire staff were also involved in an application submitted to the Kimberley Joint Development Assessment Panel.

During the year, two scheme amendments were gazetted and six Detailed Area Plans were endorsed by Council. The review of Local Planning Policies continued and a number of new policies were adopted that will provide guidance on procedural matters

There was also a continued focus on compliance during this period, both responding to complaints about unauthorised development and following through to ensure development complied with the approved conditions. Shire staff commenced a review of sea containers within residential areas, and while some progress was made this work has yet to be completed.

Applications Received	2008-2009	2009-2010	2010-2011	2011-2012	Change from previous year
Planning Applications	189	156	198	172	13% Decrease
Subdivision	(referrals) 101 lots	(referrals) 593 ³ lots	(referrals) 467 ⁴ lots	Approvals 120 lots	NA

*541 of these for lots in Waranyjarri, Billigung
#283 of these were for lots in Waranyjarri Billigung and 153 for Roebuck Djungur



St Mary's College students perform at the Broome Air Raid 70th Anniversary on 3 March 2012.

2.2: Ensure that our planning processes result in a built environment that reflects arid tropical climate design principles and historical built form.

Development Applications

BUILDING PERMITS ISSUED	2008/2009	2009/2010	2010/2011	2011/2012
Single Dwellings	93	107	80	126
Group Dwellings	3	8	9	2
Additions	16	19	13	14
Outbuildings	64	82	87	79
Commercial	42	30	33	37
Industrial	3	6	7	6
Pools	90	106	77	70
Tourist	2	5	3	6
Fences	8	5	12	66
Public Nature	1	10	9	5
Demolition	11	9	5	3
TOTAL	333	387	335	414

Building

The most substantial change to the general building approval process was the introduction of the new WA Building Act. The new Act was introduced by the State Government on April 2, 2012 and included the provision for limited private building surveying along with significant changes to the processing and assessment of building applications.

Major developments within the Shire included the Yawuru office building on Reid Road, a new gymnasium at Blue Haze and the opening of the Broome North residential development. The opening of Broome North led to a steady increase in the number of new dwelling applications being submitted to Council.

2.3: Nurture and protect our unique natural environment for the benefit and enjoyment of current and future generations.

Yawuru Joint Management Agreements

The Yawuru Joint Management Agreements were signed in February 2010 providing for the formation of a Park Council and setting out its role which included:

- To prepare Management Plans under Part V of the CALM Act and section 49 of the Land Administration Act (as appropriate) and related policies for the management of the Conservation Estate;
- To ensure that the Management Plans for the Conservation Estate are consistent with the visions and policies set out in the Cultural Management Plan for these areas;
- To ensure that all Management Plans overseen by and developed with the Park Council are, to the greatest extent possible, taking into account different legislative frameworks, consistent.

The Yawuru Agreements provide for the creation of a conservation estate comprising marine, intertidal, out-of-town terrestrial and in-town terrestrial areas. The in-town terrestrial estate is to be joint-vested between Yawuru and the Shire. The various land parcels comprising the in-town estate are being assembled, reserves created and management orders issued to Yawuru and the Shire.

Our Place

Yawuru prepared a Cultural Management Plan (CMP) for its claim area as required by the Yawuru Agreements. The Agreements provide for the CMP to inform the development of management plans for the Estate. Consultants have been appointed to prepare management plans for in-town conservation estate and Shire comments have been compiled and provided for inclusion in the draft management plan.

It is intended the consultants will produce a draft management plan by the end of April 2013 for consideration by the Yawuru Park Council (YPC). The YPC may consider the draft suitable for referral to Yawuru and the Shire for consideration, and in that event Council has indicated the draft will be made available for public comment prior to consideration.

Environmental Management Strategy

The Shire has developed a draft five-year Environmental Management Strategy for Broome. The Environmental Management Strategy provides comprehensive information regarding current environmental issues. The strategy provides strategic direction for environmental assessment and addresses environmental issues with actions for implementation.

The Shire has progressed the review and development of draft environmental policies. The policies will be used as a key strategic tool for assessing best practice standards and defining the direction of environmental management within the Shire. The environmental policies will address best practice standards associated with the natural environment, management, and design. This will provide implementation criteria for industry, commercial premises, developers and the community.

The Shire of Broome has completed a waste audit of the Broome Waste Management Facility and the kerbside garbage and recycling bins. The audit was conducted twice to reflect the differences in the two distinctive seasons - wet and dry. The purpose of the audit was to get baseline data to assist in the development of a new waste management facility for resource recovery. The Shire wants to ensure the new facility is based on robust data for budget planning and material quantity estimations.

The Shire has completed the first of a five-stage project for the Anne Street Drainage Project in Old Broome. The outcomes for

the drain include improved water quality, sediment drop-out and erosion control. The design is based on best practice principles for water-sensitive urban design.

The Shire has been successful in three grant applications from Rangelands NRM. The three projects include the second stage of the Anne Street drainage project, a surface water quality monitoring program in the Shire's drainage networks, and the review of the State of Environment Report. These projects will be progressed in the coming financial year.

2.4: Preserve and promote the unique and significant historical and cultural heritage of Broome.

Local History Preservation

The Broome Public Library holds a collection of local study materials and makes these available to the public. The Local History Collection is also slowly being built to incorporate rare or difficult to obtain items to preserve the unique stories and cultural heritage of Broome.

A microfilm viewer is now available so that information held on microfilm and microfiche can be available for research. The bulk of this material is copies of newspapers from 1905 to 1952.

Following the LotteryWest project of 2009/10 which produced 10 oral histories, the library encourages and supports people seeking to expand the oral history collection through interviewing those who have been part of the development of the community.

Broome Cemeteries

Broome Cemetery has been operational since the late 1890s and is of significant historical interest to locals and visitors to Broome. The Shire aims to provide a suitable environment for respectful recognition of a person's life and public visitation and enjoyment of the Shire's cemeteries is encouraged.

To protect the significant number of unmarked grave sites and the cemetery grounds, the Shire encourages the community not to drive vehicles into the cemetery due to damage to grave sites caused by vehicular traffic.



There were plenty of winners at North West Expo 2012.



Broome celebrated Australia Day in style again in 2012.

The Shire received funding through the Federal Government Regional and Country Local Government Infrastructure Program to engage a consultant to conduct a Radar Imaging Penetration Survey at Broome Cemetery. At commencement of the onsite survey in September 2009, the Shire funded an extension of the project to include portions of the State heritage listed Japanese, Chinese and Muslim sections within the cemetery.

The purpose of the survey was to identify disturbances or anomalies under the surface which may indicate unmarked burials. The consultant's report was received late June 2010. Identification of potential unmarked burial sites has enabled the Shire to determine the availability of future available plots within the cemetery and plan for the development of appropriate public access, landscaping and other infrastructure options.

During 2010/11 Shire staff commenced photographing gravesites and headstones within the cemetery. These photographs are being uploaded onto the Shire's computer database and ongoing updates are being made to the CAD plan/map. This is an extensive and ongoing project, which continued throughout 2011/12 and will continue in 2012/13. When completed it is hoped it will provide a reference for future years and assist with the ever-increasing genealogy requests received. Once further progress has been made community assistance will be sought to identify further unmarked gravesites.

2.5: Retain and build on Broome's iconic tourism assets and reputation.

Tourism Differential Rating

Council commenced a review of the definition and intent of the collection of differential rates for tourism initiatives in 2009. The purpose of the review was to determine the best practice funding model for ensuring equitable support for tourism industry development strategy and marketing. Key stakeholders from the industry were involved in the extensive process. The review resulted in the development of a Tourism Administration Policy which was adopted by Council at the Ordinary Meeting of Council held April 19, 2012. The policy incorporated a multiplier effect as a more equitable alternative rates distribution model. The policy also provides transparent disclosure of funding allocations provided to key tourism industry bodies that is determined by Council during the annual budget deliberations.

Overflow Caravan Parks

Each year the Shire's Environmental Health Services works with the Broome Visitor Centre and caravan park operators to facilitate the operation of overflow caravan parks. Overflow caravan parks provide short term, temporary accommodation for travellers who have not been able to or did not secure accommodation prior to arriving in Broome during the busy tourist season. Environmental Health Services facilitates a meeting with caravan park operators each year prior to tourist season to discuss the season ahead and any concerns raised are discussed and communicated.

This year, the Shire of Broome reviewed its Policy, Operation of Overflow Caravan Park Facilities, which guides staff on facilitating opening these premises. This review incorporated a change to include early opening for travellers with pets or large vehicles that could not ordinarily be accommodated in a permanent caravan park. This need was identified and discussed with Council to ensure an effective policy was implemented.

2.6: Implement best practice asset management plans to optimise Council's infrastructure while minimising lifecycle costs.

Asset Management Plan

The Shire's first Asset Management Plan was completed in the 2011/12 financial year which was a huge asset management milestone for the community. This plan adopted by Council manages the long term planning for buildings including operational, commercial and community facilities located on Shire-owned or managed land. This plan allocates levels of service for each building category which are measured and performance will be communicated in future annual reports.

Transport and Open space asset plans are underway and will be completed in the next financial year.

WA Asset Management Improvement Program

Workshop four, the final workshop for the WAAMI program, was completed in March 2012. The Shire of Broome scored well above most of the other 19 rural local governments involved in this program and was the best against seven of the 11 criteria assessed.

High-level 10-year capital works priorities were identified, building renewal program (20 years) developed, with the remainder currently five years.



The Broome Air raid 70th Anniversary brought together survivors of the tragic event.

Our Place

Asset Management

Introduction of a new module to the Corporate Software System for Asset management was installed in 2011/12 and further adaptation of this module and data entry is required in the next financial year to ensure it is fully functional. This will be an invaluable tool for measuring performance on levels of service, managing maintenance and capital works programs and will provide more efficient and sophisticated reporting.

Building levels of service adopted by Council with the Building Asset Management Plan, these have been resourced and are being applied through the creation of the Property Management unit.

Capital Works Schedules

The Shire of Broome opted to be a test site in 2011/12 for the implementation of a new software package for the inventory, condition, works and valuation management of road and associated infrastructure. Road Asset Management and Maintenance software (RAMM) was a WA Local Government project for a state-wide approach to road data and to reduce the cost to individual local governments. Due to being a test site, the Shire is ahead of the game with road data and the software is up and running.



A new Variable Message Sign is keeping Broome residents informed

In 2011/12 as part of the Building Asset Management Plan, a 20-year Capital Renewal program was produced. This will now be expanded to a 20 Year Community Facilities Capital works program which pulls together all infrastructure associated with community facilities and takes into account future demand forecasting.

Capital works programs for other asset classes are currently five years and will need to be expanded to 10 years. There is a 10-year plant replacement program.

Asbestos Management

An Asbestos Register was already in place based on the age of facilities and in-house asbestos identification. A consultant was contracted to complete an asbestos audit of all the facilities on the asbestos register and to ensure the Asbestos Management Plan Draft was compliant with current legislation. The benefits from this project are:

- Unidentified Asbestos Containing Materials risks have now been identified, improving the safety of the community.
- The reduction of assets on the asbestos register by around half, therefore reducing the resources required for ongoing ACM management.
- Verification that the draft Asbestos Management Plan is compliant with current legislation with some suggested improvements to this document.
- The ability to prioritise capital works in the program on a risk basis.
- The ability to package capital works to make use of limited licensed asbestos removal contractors in the region.
- Staying ahead of expected changes in legislation.

Asset Management Performance Measures

The three significant measures of Council's performance are:

Condition – Building assets will be maintained in a clean and serviceable condition. This will be achieved by meeting preventative maintenance plan and actioning maintenance requests (see section 5.3 of this Plan) and to record requests to measure future performance. The goal is to reach the optimum level of preventative and planned maintenance to reduce reactive and consequential maintenance expenses and maximise the life of the asset.

Function – The Shire's intent is that an appropriate building portfolio is maintained in partnership with other levels of government and stakeholders to deliver affordable and quality local government services to the community, to ensure they meet the current and future needs of the community

We need to ensure key functional objectives are met:

- Facilities meet operational, lessee and user group needs.
- Are available to the Community to utilise when required.
- That function is a consideration in Future Building Capital Works

programs in concert with defects, legislative requirements, safety and condition.

- The functional usefulness of a building is far shorter than the physical 'life' of a building and therefore function needs to be assessed and analysed in the management of a building to ensure the maximum useful life of a building is achieved.

Safety - To ensure all Shire owned and operated buildings are hazard free, safe, secure and accessible. This will be achieved through routine inspections by officers and contractors to ensure legislative compliance and any hazards not reported are captured.

Progressing associated actions in the Shire of Broome Access and Inclusion Plan shall be criteria in collating the Building Capital Works programs.

Asset Management Monitoring and Reporting

This will be an outcome of each of the asset management plans for each asset class. This is the practise with building expenditure now based on the 20-year capital works program and preventative maintenance based on agreed levels of service in the Building Asset Management Plan.

The Synergy Asset Management Module and RAMM were installed in 2011/12 and will improve preventative maintenance and capital works programming which in turn will reduce the risk of failures. The Synergy Asset Management Module has a risk matrix built in for assessing defects to guide officers in whether to schedule the repair or raise a work order immediately.

In addition, risks identified in the Building Asset Management Plan have been included in the corporate risk register.

Renewal Spending and New Infrastructure

Processes have been implemented through project management and Council meeting agenda items to ensure life cycle costings are provided to council when making investment decisions on assets.

Renewal spending requirements from the Building Asset Management Plan have been included in the long term financial plan and reserve funding is being allocated and utilised accordingly.

In association with the Project Management process, all asset expenditure is captured through the use of budget templates and project brief forms. These templates provide the source information to be incorporated into the Long Term Financial Plan and Annual Budgets. The information allows Council to deliberate on prioritising expenditure that maximises the lifecycle of Council's infrastructure assets that support the delivery of services to the Broome community. This ensures that future generations are not inequitably burdened by the cost of renewing aging infrastructure assets. As asset management plans are developed and adopted by Council for each asset category, details of asset renewal expenditure will be incorporated and updated in the Long Term Financial Plan. A full review will be conducted to analyse the

resourcing and funding of asset management programs as part of the Integrated Planning Framework to be adopted by June 2013.

Anne Street Drainage and Landscaping Rehabilitation Stage One

This project, funded by Rangelands Natural Resource Management, was successfully completed and is the first of many similar projects to rehabilitate existing drainage with best practice designs that have evolved over the past four to five years in subdivision construction. The fundamental principle behind the project is to improve drain aesthetics and water quality outcomes through nutrient stripping. Work included weed removal, re-contouring of drain batters, installation of rock gabion erosion protection, re-mulching batters, planting batters out with native vegetation, and irrigation. Swale floors will be seeded with native grasses.

Bus Bay Installation, Cable Beach Road East

Two new sealed and kerbed indented bus bays with associated footpaths servicing Kimberley TAFE on Cable Beach Road East were designed and installed.

Footpath Installation

In addition to new footpaths throughout Broome's major subdivisions, new footpaths were installed on Anne Street, Guy Street and Challenor Drive.

Urban Roadworks

Urban road projects partly funded under the State Black Spot program included installation of flashing 40kmh school zone signs in front of Broome and St Mary's high schools on Frederick Street and Port Drive. Early works associated with the design and installation of the new roundabout at Sandpiper Avenue and Old Broome Road were also completed in 2011/12.

The Shire's major urban roadworks project was the Clementson Street Road Reconstruction project with all design documentation and some of the Stage 1 works carried out in 2011/12. This project was needed to rehabilitate pavement and kerbing in one of the main streets in Broome's light industrial area to an upgraded standard. The new design also provides pedestrian footpaths and roadside parallel parking in keeping with the street's function as a hub of commercial activity.

Further funds were spent in continuing the Shire's program of bitumen seal renewal.

Rural Roadworks

The Shire of Broome successfully completed the full design and construction of all Morrell Park roads (about 2.7km) including substantial drainage upgrades as a private works project on behalf of the Office of Native Title on Aboriginal Lands Trust land.

Further road reforms, drainage upgrades and bitumen seal renewals were carried out on Cape Leveque Road.

Our Place

2.7: As required under the Commonwealth Government's Bi-lateral Agreement, Council is requested to mobilise resources to deliver municipal services to Indigenous communities that are compliant, effective and within Council's capacity.

Municipal Services to Indigenous Communities

Progress on the implementation of the bi-lateral agreement is temporarily on hold following a communique to the State and Federal Governments from affected Local Government Authorities, including the Shire of Broome. However, the Shire of Broome has continued to fulfil its obligations to Indigenous communities within the Shire.

Environmental Health Services

The Shire's Environmental Health Services continued its role in providing specific environmental health services to Indigenous communities. The Shire is responsible for regulatory health services including food premises inspections. The Shire also advises on and assesses where appropriate, provisions of the Health Act 1911 including wastewater disposal. Broader environmental health services are provided through Nirrumbuk Aboriginal Corporation with the Shire in regular contact with their staff to work towards a collaborative approach to environmental health in Indigenous communities.

Broome Public Library

The Broome Public Library provides support and assistance to the library in the Bidadanga Community. Other communities have access to the Library through the online catalogue and postal membership services.



Shire of Broome lifeguards again patrolled world-famous Cable Beach.

The Shire of Broome aims to create the means to enable local jobs creation and lifestyle affordability for the current and future population. These are the strategies put in place to achieve this, and a summary of progress made during 2011/12.

3.1: Work with agencies and others to ensure affordable and equitable services and infrastructure.

Chinatown

A draft Development Strategy for Chinatown was prepared after a two-day stakeholder workshop on September 20-21, 2011 by place-making and planning consultants, Village Well and HASSELL. The workshop was attended by Chinatown landowners, traders, and representatives of the WA Heritage Council, Nyamba Buru Yawuru, business and tourism organisations and Broome International Airport.

Feedback was recorded in a workshop outcomes report and helped with the preparation of a draft strategy with the intent of undertaking broader community consultation during 2012. The draft strategy supports the role of the planning scheme in private development control while also recommending a range of public realm improvements and management measures to help revitalise and better interpret the heritage values of Broome's pre-eminent and historic commercial centre.

Broome Public Library

Broome Public Library is the Regional Library for the Kimberley and as such supports library services in other Kimberley towns. At a State level the library has been involved in the Strategic Reform of Public Libraries. This provides a voice for country libraries within working groups and forums. Through partnership with the State Library most library resources are centrally purchased and processed.



Broome Air Raid 70th Anniversary.

3.2: Encourage the provision of affordable land for residential, industrial, commercial and community use.

Waste Management

The Shire of Broome's Environmental Health Services assists Engineering Services to strive for compliance of its Waste Management Facility with its site licence and legislation. Environmental Health Services undertakes bi-annual monitoring of ground water at the site and compares results with relevant environmental water standards. These results are reported to the Department of Environment and Conservation each year in the facility's annual report.

Regional Resource Recovery Park

There is limited capacity remaining in the existing waste management facility site on Buckleys Road. GHD was engaged by Horizon Power, on behalf of the Shire of Broome and Energy Developments Limited, to undertake a desktop analysis of alternatives for a new site. Three potential sites for the establishment of a new landfill site were analysed.

The preferred site of approximately 100ha is on Crab Creek Road between Water Corporation's Waste Water Treatment Plant (Lot 502) and Reserve 2571 (Broome Road Industrial Estate). The Shire has taken a licence with the Department of Regional Development and Lands to investigate the suitability of the site for a Resource Recovery Park and has engaged Cardno (WA) Pty Ltd to investigate the site and map the approvals process.

The Shire's Environmental Health Services is involved with the planning of the proposed Regional Resource Recovery Park that will manage waste as a resource in the future. Environmental Health provides advice on potential health impacts in the planning of this facility and communicates applicable health legislation to ensure a safe and suitable facility will be developed.

It is anticipated that in 2012/13 Council will consider a Resource Recovery Strategy and commence detailed site investigations.

Sanctuary Road Caravan Park

Lot 3130 (Reserve 51028) Sanctuary Road has an area of 13.5ha and is bounded by Sanctuary Road, Fairway Drive (unconstructed), Oryx Road (north-south portion known as Lullfitz Drive and east-west portion unconstructed). The site has a Management Order in favour of the Shire for caravan park purposes.

Previously the Shire has worked with Tourism WA to prepare a pre-feasibility report, a concept development plan and then a business plan for the development of a caravan park on Lot 3130. This report will be completed in 2012/13 and Council will consider whether to proceed further with the development of the site.

Our Organisation

The Shire of Broome aims to continually enhance its organisational capacity to service the needs of a growing community. These are the strategies put in place to achieve this, and a summary of progress made during 2011/12.

4.1: Develop an organisational culture that strives for service excellence.

Staff Training

Each year a comprehensive organisational training plan is developed. In 2011/12 the Shire delivered to all staff training in Leadership, Effective Communication, Performance Management, Time Management, Cultural Awareness and Occupational Health and Safety.

Environmental Health

With recent implementation of the Food Act 2008 and proposed changes to the Health Act 1911, the Shire's Environmental Health staff have attended a range of professional development courses to ensure their skills enable them to provide an excellent environmental health service. Training sessions and workshops attended include:

- Department of Health mosquito management course;
- National Indigenous Environmental Health Conference;
- Department of Environment and Conservation noise monitoring course;
- Department of Health Food Act workshop;
- Kimberley Pilbara Environmental Health Worker Forums;
- Media training, Goolarri Media;
- Senior first aid;
- Customer service training.

4.2: Review and analyse strategic and operational plans.

Finance

Council currently develops a five-year Long Term Financial Plan and reviews this annually as part of the annual budget process. By June 2013, the plan will extend to include a 10-year period to comply with the Integrated Planning Framework. The six-monthly budget review is a statutory compliance requirement to be completed by March each year. Council will be implementing a quarterly budget review process in the 2012/13 financial year. This will ensure Council is informed of progress on planned strategic projects each year and that control on expenditure and resourcing is maintained.

Environmental Health Service Plan

The Shire's Environmental Health Service Plan was reviewed and redeveloped to reflect the current service provided to the community. The revised service plan details projects and activities for the coming five years as well as addressing resource, training and staffing needs to undertake proposed projects and legislated

responsibilities. The Environmental Health Service Plan's mission is to "improve the health and wellbeing of the Shire of Broome community for current and future generations" and reflects the Shire's Strategic Plan.

4.3: Manage resource allocation.

Financial Systems and Sustainability Review

The purpose of the review was to assess the current economic environment and recommend improvement opportunities for the Shire into the medium term to 2020. The review considered how best to align systems that would maximise revenue opportunities, minimise costs and provide a sound basis to manage anticipated growth in the medium term. The outcome of the review identified that while in some areas the Shire is performing well, there were a number of areas that needed proactive involvement to ensure long-term sustainability.

4.4: Encourage community engagement.

Customer Service

As part of a comprehensive review of the Complaints Management Policy, Shire staff have been developing a Customer Service Charter and a Complaints Resolution Policy.

The Customer Service Charter will be a customer-focused, user-friendly document intended to provide information and assistance to customers. It is anticipated these documents will be presented for Council consideration in 2012/13.

Complaints are currently recorded on a register and are referred to the relevant department for a response. These complaints relate primarily to services and amenities.

IntraMaps

A public interface to the Shire's IntraMaps GIS has been implemented allowing the general public to access certain unrestricted corporate data through the Shire website.

Currently the public interface of IntraMaps allows website users to access general property information, planning information, aerial photography and bin collection dates for properties within the Shire. Future work will include the addition of property, community and infrastructure information allowing people quick and easy access to relevant information at any time.

4.5: Manage staff attraction and retention.

Staff Attraction and Retention Policies

This will be addressed as part of the Workforce Plan being prepared and will highlight areas the Shire needs to focus on including its attraction/retention strategies, ongoing training and development and succession planning.

Staff Housing

McMahon Estate is approximately 3.6ha in area on the eastern side of Reid Road, Cable Beach. The site is part of unvested Reserve 41551, is zoned Residential R-40 under Town Planning Scheme No. 4 and is well suited for a single dwelling/medium density development incorporating staff housing. Discussions were conducted with the Department of Regional Development and Lands on the basis of a preliminary conceptual plan prepared by staff indicating the development could yield up to 70 dwelling units, and the Minister for Lands agreed in principle to a joint venture development of the land. Under the principles of the agreement the Shire would obtain access to a number of land parcels for the development of staff housing.

The remaining portion of the reserve is proposed to be retained as a Reserve for open space purposes. A portion of the open space would likely be developed as a passive public open space area to be utilised by residents of the development, as well as the wider surrounding community.

Cardno (WA) Pty Ltd was appointed to undertake a preliminary investigation of the proposal and provide detailed estimates of the costs and returns of the proposal for consideration by the Shire and the Department of Regional Development and Lands. Council will consider these estimates when available and decide whether or not to proceed with the development.

4.6: Improve systems, processes and compliance.

Financial Systems

In preparation for implementing the financial components of the Integrated Planning Framework, the Shire will undertake a review of the financial planning and budgeting process. This includes a proposed framework and timeline, intensive workshops and training for staff, and more user-friendly budget templates. In conjunction, the financial management reporting templates used to report to Council and management will be reviewed and updated to reflect an alignment with reporting on Strategic Plan outcomes.

As an ongoing process, Finance and Payroll functions will commence a review and documentation of procedures. This will streamline processes, capture organisational knowledge and ensure business operating continuity.

Auditing

In compliance with the Local Government Act 1995 and associated regulations, the Shire must appoint an Audit Committee and conduct annual financial audits. It is proposed to investigate implementing an internal audit process to regularly monitor and review internal controls and compliance.

Training

Training Needs Analysis was conducted with staff to identify areas that training was required. The Shire delivered leadership training, performance management, effective communication, time management, conflict resolution, cultural awareness and occupational safety and health. Training Needs Analysis and consultation with staff regarding future training needs will be done for 2012/13.

Business Operating Procedures

The Shire of Broome Business Operating Procedure (BOP) Manual is an internal document which provides a comprehensive record of BOPs developed by responsible officers, discussed by the Middle Management Group, approved by the Executive Management Group and signed off by the Chief Executive Officer.

BOPs are prepared and updated as required.

Governance

Local Laws

To meet the requirements of the Local Government Act 1995 the Shire of Broome has undertaken a review of local laws. At the Ordinary Meeting of Council on June, 14 2012 Council resolved to make the following local laws:

- Bush Fire Brigades Amendment Local Law 2012.
- Dogs Local Law 2012.
- Standing Orders Amendment Local Law 2012.
- Trading, Outdoor Dining and Street Entertainment Amendment Local Law 2012.
- Repeal Local Law 2012.

These local laws will be gazetted early in 2012/13 and will come into operation 14 days following publication in the Government Gazette.

The Local Government Property and Public Places Local Law 2012 was reviewed in 2011/12 and will be presented to Council for adoption in early 2012/13.

The Cemetery Local Law 2012 is also under review and advertising for public comment commenced in late June 2012 and concludes on August 24, 2012. It is anticipated this local law will be presented to Council for adoption in 2012/13.

Our Organisation

Policy

In accordance with Council Policy 1.2.1 – Policy Manual, following the 2011 Local Government elections, Councillors and staff undertook a review of all policies. 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.

Payments to Employees

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 \$	2011/2012	2010/2011
100,000 – 109,999	2	2
110,000 – 119,999	0	0
120,000 – 129,999	4	4
130,000 – 139,999	0	0
140,000 – 149,999	0	0
150,000 – 159,999	1	1
160,000 – 169,999	0	0
170,000 – 179,999	1	1

Complaints

During 2011/2012 there were no complaints received that resulted in action under Section 5.110(6)(b) or (c) of the Local Government Act 1995.

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 reviewed its document on Rights and Obligations under the Public Interest Disclosures Act and the updated document is available on the Shire's website.

In the 2011/12 financial year, no disclosures relating to improper conduct were made to the Shire and therefore no disclosures were referred to the Ombudsman.

Freedom of Information

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 numerous requests for information in 2011/12 but the majority of these enquiries were satisfied by other means,

such as minutes of Council meetings. There were seven FOI applications for access to information, all of which were responded to in accordance with FOI legislation.

The Shire also reviewed its Information Statement document as required under the Act and ensured the document was available on the Shire's website. Further information on FOI at the Shire of Broome is available on the Shire website.

Record Keeping Plan

The Shire of Broome is committed to accurate and compliant record keeping practices in accordance with the State Records Act 2000. The Shire of Broome operates under a "Record Keeping Plan" approved by the State Records Commission in 2009 for a period of three years. A review of the plan will occur in 2012 and will be submitted in October 2012.

The Shire's records management program aims to ensure proper and adequate records are created, maintained and kept to ensure sufficient evidence of the Shire's performance of its functions. Records are recognised as a core information resource in the Shire of Broome and it is acknowledged that sound record-keeping practices contribute to the overall efficiency and effectiveness of the organisation.

The Shire also provides a record keeping awareness program to staff including online training. A number of information management initiatives were also completed including:

- Final phase of the records compactus upgrade.
- Clean up and disposal of archive records.
- Initiated in-house disposal process.
- Initiating an e-learning environment for Shire staff.

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

Conduct of Councillors and Staff

The Shire of Broome Code of Conduct provides Council members, committee members and staff 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 is complementary to the principles adopted in the Local Government Act and regulations which incorporates four fundamental aims to result in:

- Better decision making by local governments;
- Greater community participation in the decisions and affairs of local governments;
- Greater accountability of local governments to their communities; and
- More efficient and effective local government.

The Code provides a guide and a basis of expectations for Council members, committee members and staff. It encourages a commitment to ethical and professional behaviour and outlines principles in which individual and collective local government responsibilities may be based.

2011/12 Financial Statements



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Statement by the Chief Executive Officer

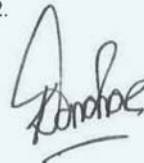
**SHIRE OF BROOME
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012**

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Broome being the annual financial report and other information for the financial year ended 30th June 2012 are in my opinion properly drawn up to present fairly the financial position of the Shire of Broome at 30th June 2012 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the Fifteenth day of November 2012.



K R DONOHOE
Chief Executive Officer

Statement of Comprehensive Income by Nature or Type

For the Year Ended 30 June 2012

	NOTE	2012 \$	2012 Budget	2011 \$
Revenue				
Rates	23(a)	15,051,736	14,891,251	14,009,252
Operating Grants, Subsidies and Contributions	29	6,911,525	4,050,173	4,824,087
Fees and Charges	28	8,362,234	7,561,076	7,537,004
Interest Earnings	2(a)	1,714,614	1,116,802	1,288,436
Other Revenue		17,019	25,200	19,573
		<u>32,057,128</u>	<u>27,644,502</u>	<u>27,678,352</u>
Expenses				
Employee Costs		(12,911,030)	(13,142,004)	(11,607,127)
Materials and Contracts		(8,583,390)	(8,966,527)	(6,220,876)
Utility Charges		(1,450,019)	(1,108,370)	(1,308,470)
Depreciation on Non-Current Assets	2(a)	(5,937,214)	(5,909,500)	(4,997,907)
Interest Expenses	2(a)	(318,141)	(486,393)	(331,399)
Insurance Expenses		(476,716)	(403,400)	(391,806)
Other Expenditure		(925,569)	(835,121)	(866,354)
		<u>(30,602,079)</u>	<u>(30,851,315)</u>	<u>(25,723,939)</u>
		1,455,049	(3,206,813)	1,954,413
Non-Operating Grants, Subsidies and Contributions	29	4,525,890	7,522,560	7,928,756
Profit on Asset Disposal	21	91,824	252,500	56,616
Loss on Asset Disposal	21	(37,052)	(136,000)	(43,665)
		<u>4,580,662</u>	<u>7,639,060</u>	<u>7,941,707</u>
NET RESULT		6,035,711	4,432,247	9,896,120
Other Comprehensive Income				
Changes on revaluation of Land & Buildings non-current assets	13	0	0	18,639,835
Changes on revaluation of Road Infrastructure non-current assets	13	0	0	(398,407)
Total Other Comprehensive Income		0	0	18,241,428
TOTAL COMPREHENSIVE INCOME		<u>6,035,711</u>	<u>4,432,247</u>	<u>28,137,548</u>

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

Statement of Comprehensive Income by Program

For the Year Ended 30 June 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue	2 (a)			
Governance		792,647	117,350	54,820
General Purpose Funding		18,902,197	17,203,451	16,965,265
Law, Order, Public Safety		119,294	111,924	112,789
Health		84,719	103,700	111,652
Education and Welfare		104,550	150,800	92,100
Housing		550,526	655,200	703,100
Community Amenities		4,672,081	4,088,200	4,089,685
Recreation and Culture		1,051,209	870,600	897,380
Transport		1,598,407	873,000	1,012,189
Economic Services		911,945	846,040	856,231
Other Property and Services		3,269,553	2,624,237	2,783,141
		<u>32,057,128</u>	<u>27,644,502</u>	<u>27,678,352</u>
Expenses Excluding Finance Costs	2 (a)			
Governance		(2,277,836)	(2,529,829)	(1,780,651)
General Purpose Funding		(207,131)	(237,781)	(68,164)
Law, Order, Public Safety		(1,409,806)	(1,382,412)	(1,295,597)
Health		(520,622)	(557,355)	(566,667)
Education and Welfare		(656,075)	(659,211)	(566,432)
Housing		(603,006)	(658,300)	(711,900)
Community Amenities		(7,167,641)	(6,075,164)	(5,668,602)
Recreation & Culture		(7,040,990)	(7,209,817)	(6,588,389)
Transport		(5,201,731)	(6,258,287)	(5,361,073)
Economic Services		(1,065,491)	(1,033,470)	(955,924)
Other Property and Services		(4,133,607)	(3,763,296)	(1,826,654)
		<u>(30,283,936)</u>	<u>(30,364,922)</u>	<u>(25,390,053)</u>
Finance Costs	2 (a)			
Law, Order, Public Safety		(3,367)	(3,366)	(4,390)
Housing		0	(24,900)	0
Community Amenities		(12,963)	(12,857)	(17,033)
Recreation & Culture		(169,166)	(312,688)	(150,172)
Economic Services		(42,507)	(42,507)	(50,551)
Other Property and Services		(90,140)	(90,075)	(111,740)
		<u>(318,143)</u>	<u>(486,393)</u>	<u>(333,886)</u>

Statement of Comprehensive Income by Program

For the Year Ended 30 June 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Non-Operating Grants, Subsidies and Contributions	29			
Governance		0	0	183,000
Law, Order, Public Safety		342,656	0	341,614
Community Amenities		56,607	350,840	91,615
Recreation & Culture		2,592,958	3,755,500	2,836,106
Transport		1,513,669	3,416,220	4,476,421
Other Property and Services		20,000	0	0
		<u>4,525,890</u>	<u>7,522,560</u>	<u>7,928,756</u>
Profit/(Loss) on Disposal of Assets	21			
Governance		0	(3,000)	0
Law, Order, Public Safety		2,505	(2,500)	(6,487)
Health		0	(6,000)	0
Community Amenities		682	6,000	0
Recreation & Culture		0	14,500	3,319
Economic Services		0	2,000	0
Other Property and Services		51,585	105,500	16,119
		<u>54,772</u>	<u>116,500</u>	<u>12,951</u>
NET RESULT		<u>6,035,711</u>	<u>4,432,247</u>	<u>9,896,120</u>
Other Comprehensive Income				
Changes on revaluation of Land & Buildings non-current assets	13	0	0	18,639,835
Changes on revaluation of Road Infrastructure non-current assets	13	0	0	(398,407)
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>18,241,428</u>
TOTAL COMPREHENSIVE INCOME		<u>6,035,711</u>	<u>4,432,247</u>	<u>28,137,548</u>

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

Statement of Financial Position

As at 30 June 2012

	NOTE	2012 \$	2011 \$	2010 \$
CURRENT ASSETS				
Cash and Cash Equivalents	3	27,828,261	15,042,654	10,212,555
Investments	4	0	7,479,902	12,108,407
Trade and Other Receivables	5	1,469,050	2,575,364	930,352
Inventories	6	29,022	23,869	18,154
TOTAL CURRENT ASSETS		<u>29,326,333</u>	<u>25,121,789</u>	16,246,118
NON-CURRENT ASSETS				
Other Receivables	5	39,247	108,866	128,530
Property, Plant and Equipment	7	54,125,635	48,550,577	28,360,252
Infrastructure	8	101,725,611	102,206,127	102,285,895
TOTAL NON-CURRENT ASSETS		<u>155,890,493</u>	<u>150,865,570</u>	130,774,677
TOTAL ASSETS		<u>185,216,826</u>	<u>175,987,359</u>	147,020,795
CURRENT LIABILITIES				
Trade and Other Payables	9	2,881,786	2,882,035	2,312,372
Long Term Borrowings	10	1,316,669	881,025	851,431
Provisions	11	1,571,412	1,780,929	1,646,438
TOTAL CURRENT LIABILITIES		<u>5,769,867</u>	<u>5,543,989</u>	4,810,241
NON-CURRENT LIABILITIES				
Long Term Borrowings	10	7,283,495	4,322,164	4,255,565
Provisions	11	324,842	318,295	289,626
TOTAL NON-CURRENT LIABILITIES		<u>7,608,337</u>	<u>4,640,459</u>	4,545,191
TOTAL LIABILITIES		<u>13,378,204</u>	<u>10,184,448</u>	9,355,432
NET ASSETS		<u>171,838,622</u>	<u>165,802,911</u>	137,665,363
EQUITY				
Retained Surplus		96,351,495	94,211,550	87,777,866
Reserves - Cash/Investment Backed	12	23,711,225	19,815,459	15,255,573
Reserves - Asset Revaluation	13	51,775,902	51,775,902	34,631,924
TOTAL EQUITY		<u>171,838,622</u>	<u>165,802,911</u>	137,665,363

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

Statement of Changes in Equity

For the Year Ended 30 June 2012

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	ASSET REVALUATION RESERVES \$	TOTAL EQUITY \$
Balance as at 1 July 2010		92,152,866	11,978,023	33,534,474	137,665,363
Net Result		9,896,120	0	0	9,896,120
Land & Buildings Revaluation Increment		0	0	18,639,835	18,639,835
Road Infrastructure Revaluation Decrement		0	0	(398,407)	(398,407)
Reserve Transfers To/(From)		<u>(7,837,436)</u>	<u>7,837,436</u>	<u>0</u>	<u>0</u>
Balance as at 1 July 2011		94,211,550	19,815,459	51,775,902	165,802,911
Net Result		6,035,711	0	0	6,035,711
Land & Buildings Revaluation Increment		0	0	0	0
Road Infrastructure Revaluation Increment		0	0	0	0
Reserve Transfers To/(From)		<u>(3,895,766)</u>	<u>3,895,766</u>	<u>0</u>	<u>0</u>
Balance as at 30 June 2012		96,351,495	23,711,225	51,775,902	171,838,622

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

Statement of Cash Flows

For the Year Ended 30 June 2012

	NOTE	2012 Actual \$	2012 Budget \$	2011 Actual \$
Cash Flows From Operating Activities				
Receipts				
Rates		14,997,600	14,691,251	13,975,888
Operating Grants, Subsidies and Contributions		6,911,525	4,050,173	4,824,087
Fees and Charges		9,570,054	7,521,076	5,914,063
Interest Earnings		1,714,614	1,116,802	1,288,436
Goods and Services Tax		2,007,617	1,909,381	1,108,436
Other Revenue		17,019	25,200	19,573
		<u>35,218,429</u>	<u>29,313,883</u>	<u>27,130,483</u>
Payments				
Employee Costs		(13,075,756)	(12,942,004)	(11,417,626)
Materials and Contracts		(8,546,120)	(8,916,527)	(5,488,957)
Utility Charges		(1,450,019)	(1,108,370)	(1,308,470)
Insurance Expenses		(476,716)	(403,400)	(391,806)
Interest expenses		(318,141)	(330,950)	(331,399)
Goods and Services Tax		(2,088,533)	(1,939,381)	(1,302,748)
Other Expenditure		(925,569)	(835,121)	(866,354)
		<u>(26,880,854)</u>	<u>(26,475,753)</u>	<u>(21,107,360)</u>
Net Cash Provided By Operating Activities	14(b)	<u>8,337,575</u>	<u>2,838,130</u>	<u>6,023,123</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(8,839,085)	(16,896,501)	(3,794,227)
Payments for Construction of Infrastructure		(2,387,870)	(5,467,121)	(3,169,245)
Payments for Purchase of Investments		(91,585)		(431,495)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		4,525,890	7,522,560	7,928,756
Proceeds from Sale of Plant & Equipment		249,970	771,000	109,385
Proceeds from Sale of Investments		7,571,487	0	5,060,000
		<u>1,028,807</u>	<u>(14,070,062)</u>	<u>5,703,174</u>
Net Cash Provided By (Used In) Investing Activities		<u>1,028,807</u>	<u>(14,070,062)</u>	<u>5,703,174</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(881,027)	(881,026)	(853,805)
Proceeds from Self Supporting Loans		22,252	22,253	30,957
Proceeds from New Debentures		4,278,000	5,438,000	950,000
		<u>3,419,225</u>	<u>4,579,227</u>	<u>127,152</u>
Net Cash Provided By (Used In) Financing Activities		<u>3,419,225</u>	<u>4,579,227</u>	<u>127,152</u>
Net Increase (Decrease) in Cash Held		<u>12,785,607</u>	<u>(6,652,705)</u>	<u>11,853,449</u>
Cash at Beginning of Year		15,042,654	15,607,331	3,189,205
Cash and Cash Equivalents at the End of the Year	14(a)	<u><u>27,828,261</u></u>	<u><u>8,954,626</u></u>	<u><u>15,042,654</u></u>

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

Rate Setting Statement

For the Year Ended 30 June 2012

	NOTE	2012 Actual \$	2012 Budget \$	2011 Actual \$
Revenue				
Governance		792,647	117,350	237,820
General Purpose Funding		3,850,461	2,318,849	2,956,013
Law, Order, Public Safety		467,767	112,924	456,814
Health		84,719	103,700	111,652
Education and Welfare		104,550	150,800	92,100
Housing		550,526	655,200	703,100
Community Amenities		4,729,370	4,445,040	4,181,300
Recreation and Culture		3,644,167	4,640,600	3,737,614
Transport		3,112,076	4,289,220	5,488,610
Economic Services		911,945	848,040	856,231
Other Property and Services		3,374,878	2,853,237	2,833,218
		<u>21,623,106</u>	<u>20,534,960</u>	<u>21,654,472</u>
Expenses				
Governance		(2,277,836)	(2,532,829)	(1,780,651)
General Purpose Funding		(207,131)	(244,430)	(68,164)
Law, Order, Public Safety		(1,416,485)	(1,389,278)	(1,308,886)
Health		(520,622)	(563,355)	(566,667)
Education and Welfare		(656,075)	(659,211)	(566,431)
Housing		(603,005)	(683,200)	(711,900)
Community Amenities		(7,180,605)	(6,088,021)	(5,685,635)
Recreation & Culture		(7,210,156)	(7,522,505)	(6,739,369)
Transport		(5,201,731)	(6,258,287)	(5,361,073)
Economic Services		(1,107,998)	(1,075,977)	(1,006,475)
Other Property and Services		(4,257,487)	(3,976,871)	(1,972,353)
		<u>(30,639,131)</u>	<u>(30,993,964)</u>	<u>(25,767,604)</u>
Net Result Excluding Rates		(9,016,025)	(10,459,004)	(4,113,132)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals		(54,772)	(116,500)	(12,951)
Net Accrued (Income)/Expenditure & Future Provisions		76,629	155,443	283,859
Depreciation on Assets		5,937,214	5,909,500	4,997,907
Capital Expenditure and Revenue				
Purchase Land and Buildings		(6,564,873)	(13,007,420)	(2,526,191)
Purchase Infrastructure Assets - Drainage		(137,584)	(140,840)	(384,107)
Purchase Infrastructure Assets - Roads, Carparks, Footpaths & Bridges		(1,930,888)	(4,454,171)	(2,426,570)
Purchase Infrastructure Assets - Recreation Areas		(162,385)	(735,700)	(335,256)
Purchase Infrastructure Assets - Other		(157,013)	(136,410)	(23,312)
Purchase Plant and Equipment		(1,893,482)	(3,483,581)	(844,745)
Purchase Furniture and Equipment		(380,730)	(405,500)	(423,291)
Proceeds from Disposal of Assets		249,970	771,000	109,385
Repayment of Debentures		(881,027)	(881,026)	(853,805)
Proceeds from New Debentures		4,278,000	5,438,000	950,000
Self-Supporting Loan Principal Income		22,252	22,253	30,957
Transfers to Reserves and Restricted Cash Assets		(12,917,012)	(4,641,675)	(11,008,839)
Transfers from Reserves and Restricted Cash Assets		9,021,246	10,361,380	3,171,403
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	23(b)	2,121,790	913,000	1,521,226
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	23(b)	2,663,046	0	2,121,790
Amount Required to be Raised from Rates	23(a)	<u>15,051,736</u>	<u>14,891,251</u>	<u>14,009,252</u>

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 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the local Government Act 1995 and accompanying regulations.

Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of the 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 this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 20 to this financial report.

(c) Goods and Services Tax

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

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

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

(d) Cash and Cash Equivalents

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

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

(e) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

General

Inventories are valued 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.

Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time at the time of signing a binding contract of sale.

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

(g) Fixed Assets

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

Initial Recognition

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

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

Capitalisation Threshold

Property, plant and equipment are to be capitalised if the cost or valuation exceeds the values in the table below:

(i) Land (To be capitalised)	Nil
(ii) Buildings – New , Upgrade or Renewal	Nil
(iii) Infrastructure – New , Upgrade or Renewal	Nil
(iv) Plant and Equipment – New , Upgrade or Renewal	5,000
(v) Furniture and Equipment– New , Upgrade or Renewal	5,000

Items which cost, or are valued, less than these thresholds are expensed in the year of acquisition.

Revaluation

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

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

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

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

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 AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

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

(h) Depreciation of Non-Current Assets

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

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

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

Item	Estimated Useful Life	Annual Dep'n Rate
Vehicles (High Use 1 year replacement program)	4 years	25.00%
Ride on Mowers	5 years	20.00%
Cars & Light Vehicles (2 to 3 replacement program)	6.67 years	15.00%
Trucks Small 2-5 tonne	6.67 years	15.00%
Trucks Medium 6-12 tonne	8 years	12.50%
Trucks Heavy >12 tonne & Medium Plant	10 years	10.00%
Plant Heavy, Graders, Scrapers, Dozers, etc	12 years	8.33%
Plant Portable (regular use)	5 years	20.00%
Plant Other (low use and/or long life)	16 years	6.25%
Computer Equipment (hardware/software)	4 years	25.00%
Furniture & Equipment	10 years	10.00%
Building Plant & Air Conditioning	15 years	6.67%
Buildings	40 years	2.50%
Buildings - Long Life Structures	50 years	2.00%
Infrastructure Fixed:		
Formation & Earthworks (roads, reserves, landfill)	100 years	1.00%
Pavement (roads, car parks, reserves, landfill)	40 years	2.50%
Seals Asphalt	25 Years	4.00%
Seals Bitumen	15 Years	6.67%
Road Plant & Bus Shelters	20 years	5.00%
Bridges	80 years	1.25%
Drainage facilities	60 years	1.67%
Footpaths, Dual Use Paths	50 years	2.00%

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 with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

cost.

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

Amortised cost is calculated as:

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

The effective interest rate 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.

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

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

(ii) Loans and receivables

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

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(iii) Held-to-maturity investments

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

(iv) 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.

They are subsequently measured at fair value with changes in such fair value (ie 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 the asset previously recognised in other comprehensive income, is reclassified into profit or loss.

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

(v) Financial liabilities

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

Impairment

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

Derecognition

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

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

(j) Impairment

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

Where such an indication exists, an 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 (eg AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Trade and Other Payables

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

(l) Employee Benefits

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

(m) Borrowing Costs

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

(n) Provisions

Provisions are recognised when:

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

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

(o) Leases

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

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

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

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

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Joint Venture

The municipality has no joint ventures.

(q) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(r) Superannuation

The Shire of Broome contributes to the Local Government Superannuation Scheme and other defined contribution schemes.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent a cash refund or a reduction in the future payments is available.

In addition where employees contribute up to 4% The Municipality makes an additional contribution so the total by the Municipality is 12%.

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

(v) Budget Comparative Figures

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2012.

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments	December 2009	1 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 1053 - Application of Tiers of Australian Accounting Standards	June 2010	1 July 2013	Nil - Due to its nature and statutory requirements the Council will be deemed Tier 1 entity and will continue to prepare general purpose financial statements
(iii) AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 - [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	December 2009	1 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iv) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	1 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)				
(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)				
Title and Topic	Issued	Applicable (*)	Impact	
(v) AASB 2010 - 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) - [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	1 January 2013	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).	
(vi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets - [AASB 112]	December 2010	1 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.	
(vii) AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters - [AASB 2009 - 11 & 2010 - 7]	December 2010	1 January 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.	
(viii) AASB 2011 - 2 Amendments to Australian Accounting Standards - Arising from the Tasman Consequence Project - Reduced Disclosure Requirements. - [AASB 101 & 1054]	May 2011	1 July 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.	
AASB 2011 - 3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to ABS GFS manual and related Amendments. [AASB 1049]	May 2011	1 July 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.	
AASB 2011 - 6 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127, 128 & 131]	July 2011	1 July 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.	

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(ix) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards - [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	1 January 2013	Nil - None of these, except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.
(x) AASB 13 - Fair Value Measurement, AASB 2011 - 8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	September 2011	1 January 2013	AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 requires inputs to all fair value measurements to be categorised in accordance with fair value hierarchy. AASB 13 also requires enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value. AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards. The amendments to the legislation requires the phasing in of fair value in relation to fixed assets over the three years from 1 July 2012. It is not possible to estimate the likely amount of any revaluations.
(xi) AASB 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	1 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)			
(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)			
Title and Topic	Issued	Applicable (*)	Impact
(xii) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 1, 8, 10, 11, 12, 13, 14, 1049 & 2011-8 and Interpretation 14]	September 2011	1 January 2013	The changes in relation to defined benefit plans contained not expected to significantly impact the Council nor are the in relation to termination benefits.
(xiii) AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	September 2011	1 July 2013	Nil - None of these amendments will have any effect on the operations of the Council as they were either largely editorial in nature, were revisions to h consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.
AASB 2011 - 12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]	November 2011	1 January 2013	
AASB 2011 - 13 Amendments to Australian Accounting Standards - Improvements to AASB 1049	December 2011	1 July 2012	
Notes:			
(*) Applicable to reporting periods commencing on or after the given date.			
(x) Adoption of New and Revised Accounting Standards			
During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory and which were operations.			
These new and revised standards were:			
AASB 124			
AASB 1054			
AASB 2009 - 12			
AASB 2009 - 14			
AASB 2010 - 4			
AASB 2010 - 5			
AASB 2010 - 6			
AASB 2010 - 9			
AASB 2011 - 1			

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

2. REVENUES AND EXPENSES

2012
\$

2011
\$

(a) Net Result

The Result from Ordinary Activities includes:

(i) Charging as an Expense:

Auditors Remuneration

- Audit	24,584	31,540
- Other Services	15,416	2,376

Depreciation

Buildings	1,682,083	733,036
Furniture and Equipment	328,667	275,391
Plant and Equipment	1,055,441	1,146,012
Roads, Footpaths & Transport Infrastructure	2,313,598	2,309,398
Parks and Reserves	336,898	340,441
Drainage	140,057	136,506
Other Infrastructure	80,470	57,123
	<u>5,937,214</u>	<u>4,997,907</u>

Interest Expenses (Finance Costs)

Overdraft Interest	24	68
Debentures (<i>refer Note 22(a)</i>)	318,117	331,331
	<u>318,141</u>	<u>331,399</u>

Rental Charges

- Operating Leases	<u>639,139</u>	<u>741,561</u>
--------------------	----------------	----------------

(ii) Crediting as Revenue:

2012
\$

2012
Budget
\$

2011
\$

Investment and Interest Earnings

Investment Earnings			
- Reserve Funds	91,316	0	337,777
- Other Funds	269	0	93,718
Interest Earnings			
- Reserve Funds	1,082,722	583,405	317,463
- Other Funds	403,862	400,000	401,231
- Self Supporting Loans	6,946	6,997	8,401
Other Interest Revenue (<i>refer note 27</i>)	129,499	126,400	129,846
	<u>1,714,614</u>	<u>1,116,802</u>	<u>1,288,436</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

SHIRE MISSION STATEMENT

"To provide a range of affordable and sustainable services to our community with a strong focus so that our citizens and visitors enjoy a quality lifestyle."

Council operations as disclosed in this budget encompass the following service orientated

GOVERNANCE

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

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Supervision of various by-laws, fire prevention, emergency services and animal control.

HEALTH

Food quality, eating house inspection, pest control and child health clinics.

EDUCATION AND WELFARE

Facilities for senior citizens aged care, infant, day care centres, pre-school; assistance to play group and other community services and development activities.

HOUSING

Provision of staff housing.

COMMUNITY AMENITIES

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

Operation/maintenance of halls, Broome Recreation and Aquatic Centre (BRAC), various parks and reserves, beaches, library, museum and other cultural activities.

TRANSPORT

Construction and maintenance of streets, roads, bridges, footpaths and street lighting.

ECONOMIC SERVICES

The regulation and provision of tourism facilities, area promotion and building control.

OTHER PROPERTY & SERVICES

Private works and provision of unclassified building facilities including leased offices community facilities and other buildings.

General Administration and IT support for Council's operations, allocated to other functions.

Engineering, works and parks and gardens management, allocated to construction and maintenance jobs.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

2. REVENUES AND EXPENSES (Continued)

(c) Conditions Over Contributions

Grant/Contribution	Program	Opening Balance ⁽¹⁾		Expended ⁽²⁾	Received ⁽²⁾	Closing Balance ⁽¹⁾		Expended ⁽³⁾	Closing Balance
		1 July 2010	30 June 2011			30 June 2011	30 June 2012		
Other Governance - Don't Zoom in Broome Project Grant	Governance	7,074	2,096	0	0	2,096	2,096	0	2,096
Other Governance - EDL sponsorship and spent	Governance	0	0	(4,978)	426,405	0	403,805	(22,600)	403,805
Other Governance - DLG Asset Management, Strategic/Financial Planning Grant	Governance	0	0	0	10,700	0	10,700	0	10,700
FESA State Emergency Service & Volunteer Bush Fire Brigade Operational and Grant funding	Law Order & Public Safety	8,388	1,614	(6,774)	0	1,614	0	(1,614)	0
Clean Up Aboriginal Communities Operational Grant	Health	26,436	16,136	(10,300)	0	16,136	16,136	0	16,136
Office of Crime Prevention Grant - Community Safety & Crime Prevention Plan & LGA Partnership Fund - Initiative Lighting Up Anne St Precinct	Education & Welfare	0	30,000	0	0	30,000	3,837	(26,163)	3,837
Healthway - Aboriginal Health Promotion for Streets Sport Program	Education & Welfare	0	1,500	0	0	1,500	0	(1,500)	0
HYPE Operational Grants	Education & Welfare	66,806	19,830	(66,806)	0	19,830	0	(19,830)	0
Care of Families & Children Grants - Broome Iterants Strategy	Education & Welfare	9,507	9,507	0	0	9,507	9,507	0	9,507
Community Facilities Town Beach Cultural Plan - Community Programs Grant	Education & Welfare	248	0	(248)	0	0	0	0	0
OTCAM Donation for Broome Cemetery Committee from Mollie Bean	Community Amenities	0	0	0	150	0	150	0	150
Urban Stormwater Drainage - Rangellands Anne St Drainage	Community Amenities	0	45,000	0	0	45,000	0	(45,000)	0
Minyirr Park funding to DEC for 25% contribution of Park Council fire truck	Community Amenities	0	50,000	0	0	50,000	0	(50,000)	0
Design & Documentation of Coastal Revetment from Town Beach to Catalinas Grant	Community Amenities	0	0	0	27,498	0	27,498	0	27,498
Rangellands NRM Water Quality Monitoring Program - Protection of Environment	Community Amenities	0	0	0	12,000	0	12,000	0	12,000
Recreation Services - Physical Activities Plan Grants	Recreation & Culture	25,000	0	(25,000)	0	0	0	0	0
Parks and Ovals Grants - Lions Club BBQ grant.	Recreation & Culture	330	0	0	0	330	330	0	330
Parks and Ovals Grants - R4R Town Beach Area Lighting & Waterpark Town Beach Grant	Recreation & Culture	29,660	0	(29,660)	0	0	0	0	0
BRAC Ovals Grants - R4R Pavilion Build New Const Stage 2 Grant	Recreation & Culture	352,820	0	(352,820)	0	0	0	0	0
Multi-purpose Arts & Community Venue (Arts Centre) Trust	Recreation & Culture	40,000	0	0	0	40,000	0	(40,000)	0
Library - Childrens Book week and Historian Program Grants	Recreation & Culture	10,000	0	(10,000)	0	0	0	0	0
Library - Children's Book Council Aust (CBCA WA) Contributions	Recreation & Culture	3,335	3,806	(3,335)	2,793	3,806	2,793	(3,806)	2,793
Multi-purpose Arts & Community Venue (Arts Centre) RLCIP Solar Panels Grant	Recreation & Culture	0	183,000	0	0	183,000	0	(183,000)	0
Multi-purpose Arts & Community Venue (Arts Centre) DCA Construction Grant	Recreation & Culture	0	1,799,945	0	2,455,956	1,799,945	0	(4,255,901)	0
Parks and Ovals - RLCIP Round 2 grant Broome Visitor Centre/Reconciliation	Recreation & Culture	20,000	0	(20,000)	0	0	0	0	0
Park Drainage upgrade	Recreation & Culture	0	38,300	0	0	38,300	38,300	0	38,300
Swimming Areas & Beaches - Entrance Point Jetty Planning Grant RBFS	Recreation & Culture	0	0	0	0	0	0	0	0

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

2. REVENUES AND EXPENSES (Continued)	Grant/Contribution	Program	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
			Balance ⁽¹⁾ 1 July 2010	2010/2011	2010/2011	Balance ⁽¹⁾ 30 June 2011	2011/2012	2011/2012	Balance ⁽¹⁾ 30 June 2012
(c) Conditions Over Contributions (Continued)			\$	\$	\$	\$	\$	\$	\$
Road Construction - Frederik st at High School Upgrade - Black Spot State		Transport	0	0	0	0	7,717	0	7,717
Road Construction - Regional Rd Group (RRG) Rural Rd Construction - Camarvon St Napier Tce Roundabout		Transport	0	0	0	0	93,333	0	93,333
Regional Rd Group (RRG) Rural Rd Construction - Clementson St Upgrade Works Stage 1		Transport	0	0	0	0	186,666	(7,294)	179,372
Road Construction - Rural road Construction Celementson St Upgrade Infra Stage 2		Transport	0	0	0	0	75,046	0	75,046
Footpath Construction - Shire of Broome contributions to Blkewest RBN local govt grants scheme		Transport	0	0	0	0	29,499	0	29,499
Rds To Recovery Non Op Grant for Urban Rds - Clementson St Upgrade Works Stage 2.		Transport	0	0	0	0	231,667	(122,667)	109,000
Road Related Construction/Maintenance Grants including Royalties For Regions (R4R) Road Grants - Boulevard/Fredrick St Street Lighting		Transport	37	0	(37)	0	0	0	0
Road Construction - Unspent RRG grant for McGuigan Rd Upgrade.		Transport	43,824	0	(43,824)	0	0	0	0
Road Construction - Gubinge Road Landscaping MRWA grant		Transport	153,978	0	(140,600)	13,378	0	(13,378)	0
Road Construction - Dampier Terrace Precinct Development RL/CIP Round 2 Grant - Installation of retractable bollards		Transport	40,000	0	(40,000)	0	0	0	0
Road Maintenance - Office Native Title Morrell Park maintenance		Transport	0	0	0	0	330,000	0	330,000
Tourism Grants - Visitors Center & Railway Line Project		Economic Services	50,000	0	0	50,000	0	0	50,000
Depot Operations Grants - R4R Depot Yards and Fencing		Other Property and Services	18,351	0	(18,351)	0	0	0	0
Depot Operations Grants - R4R Depot Building Renewal		Other Property and Services	843	0	(843)	0	0	0	0
Corporate Governance and Support - R4R (KRGS) - Senior Special Project Officer		Other Property and Services	67,752	105,000	(108,064)	64,688	55,156	(64,688)	55,156
Corporate Governance and Support - R4R CLGF Y2 Forward Buildings Capital Works Plan Grant		Other Property and Services	35,000	0	(9,263)	25,737	0	(1,645)	24,092
Corporate Governance and Support - LGIS bonus Risk Management Grant		Other Property and Services	25,866	0	(8,878)	16,988	0	(16,988)	0
Total			1,035,255	2,276,381	(899,781)	2,411,855	3,944,586	(4,876,074)	1,480,367

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 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 and which were expended in the current reporting period in the manner specified by the contributor.
- (4) - Conditions Over Contributions includes \$1,076,562 of Unspent Grants held in the Restricted Cash Reserve at 30 June 2012 and \$403,805 held in the EDL Reserve at 30 June 2012.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

	2012 \$	2011 \$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	4,117,036	2,692,980
Restricted	23,711,225	12,349,674
	<u>27,828,261</u>	<u>15,042,654</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	1,599,738	1,500,673
BRAC Reserve	62,408	53,854
Public Open Space Reserve	1,551,584	935,717
Drainage Reserve	1,524,970	1,035,779
Plant Reserve	2,008,363	2,112,871
Building Reserve	3,969,365	3,150,647
Car Park Reserve	295,298	59,133
Footpath Reserve	1,919,041	1,583,678
Road Reserve	1,462,869	3,401,143
Refuse Site Reserve	3,989,933	3,016,132
Equipment & Insurance Reserve	325,957	435,579
Restricted Cash Reserve **	4,597,894	2,530,253
EDL Reserve	403,805	0
Restricted Cash and Cash Equivalents	<u>23,711,225</u>	<u>19,815,459</u>
Less Investments (Refer note 4 below)	0	(7,465,785)
Restricted Cash	<u>23,711,225</u>	<u>12,349,674</u>

**Included in the Restricted Cash Reserve at 30 June 2012 is \$1,076,562 of Unspent Grants and \$3,521,332 of Unspent Loans (refer Note 22(c)).

4. INVESTMENTS

Unrestricted	0	14,117
Restricted	0	7,465,785
	<u>0</u>	<u>7,479,902</u>

Financial assets at fair value through profit or loss

At beginning of the year	7,479,902	12,108,407
Revaluation to Income Statement	0	0
Additions	91,585	431,495
Disposals	7,571,487	5,060,000
At end of the year	<u>0</u>	<u>7,479,902</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

	2012 \$	2011 \$
5. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	210,212	158,686
Sundry Debtors	756,248	1,922,049
GST Receivable	289,127	193,085
Loans - Clubs/Institutions	70,276	22,252
Bonds and Deposits held by others	47,152	45,461
Other current receivables	96,035	233,831
	<u>1,469,050</u>	<u>2,575,364</u>
Non-Current		
Rates Outstanding - Pensioners	10,366	9,709
Loans - Clubs/Institutions	28,881	99,157
	<u>39,247</u>	<u>108,866</u>
6. INVENTORIES		
Current		
Fuel, Cement and BRAC Stock	29,022	23,869
	<u>29,022</u>	<u>23,869</u>
7. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - At Valuation 2011	68,430,824	68,430,824
Land and Buildings - At Cost	6,526,807	0
Less Accumulated Depreciation	<u>(27,962,052)</u>	<u>(26,335,782)</u>
	46,995,579	42,095,042
Land & buildings - Work In Progress	38,066	0
	<u>38,066</u>	<u>0</u>
Furniture and Equipment - Cost	2,402,499	2,021,769
Less Accumulated Depreciation	<u>(1,626,465)</u>	<u>(1,303,859)</u>
	776,034	717,910
Plant and Equipment - Cost	12,933,879	12,321,076
Less Accumulated Depreciation	<u>(6,617,923)</u>	<u>(6,583,451)</u>
	6,315,956	5,737,625
	<u>54,125,635</u>	<u>48,550,577</u>

VALUATION METHODOLOGY

The Shire conducted a valuation of land & building assets as at 30 June 2011.

Land assets were revalued according to market value.

The valuation was completed by licenced valuers KPP Opteon.

Building assets were revalued by management using a depreciated replacement cost based on the Rawlinsons Guidelines.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Land & Buildings	Land & Buildings Work In Progress	Furniture & Equipment	Plant & Equipment	Leased Plant & Equipment	Total
	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2011	42,095,042	0	717,910	5,737,625	0	48,550,577
Additions	6,526,807	38,066	380,730	1,893,481	0	8,839,084
(Disposals)	0	0	0	(195,198)	0	(195,198)
Revaluation - Increments	0	0	0	0	0	0
Depreciation (Expense)	(1,626,270)	0	(322,606)	(1,119,952)	0	(3,068,828)
Other Movements	0	0	0	0	0	0
Balance as at 30 June 2012	<u>46,995,579</u>	<u>38,066</u>	<u>776,034</u>	<u>6,315,956</u>	<u>0</u>	<u>54,125,635</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

	2012 \$	2011 \$
8. INFRASTRUCTURE		
Roads - Management Valuation 2012	0	0
Roads - Management Valuation 2011	100,970,790	100,970,790
Roads - At cost	1,692,294	0
Less Accumulated Depreciation	<u>(26,732,749)</u>	<u>(24,656,417)</u>
	75,930,335	76,314,373
Carparks, Footpaths & Bridges- Management Valuation 1692294	0	0
Carparks, Footpaths & Bridges - At cost	9,688,976	9,450,382
Less Accumulated Depreciation	<u>(2,364,808)</u>	<u>(2,127,542)</u>
	7,324,168	7,322,840
Recreation Areas - At cost	12,485,416	12,323,030
Less Accumulated Depreciation	<u>(2,842,527)</u>	<u>(2,486,425)</u>
	9,642,889	9,836,605
Drainage - Cost	8,518,544	8,380,960
Less Accumulated Depreciation	<u>(1,761,958)</u>	<u>(1,621,901)</u>
	6,756,586	6,759,059
Other Infrastructure - At cost	2,608,450	2,451,438
Less Accumulated Depreciation	<u>(536,817)</u>	<u>(478,188)</u>
	2,071,633	1,973,250
	<u>101,725,611</u>	<u>102,206,127</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

8. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	Roads Infrastructure \$	Carparks, Footpaths & Bridges \$	Recreation Infrastructure \$	Drainage Infrastructure \$	Other Infrastructure \$	Total \$
Balance as at 1 July 2011	76,314,373	7,322,840	9,836,605	6,759,059	1,973,250	102,206,127
Additions	1,692,294	238,594	162,385	137,584	157,013	2,387,870
(Disposals)	0	0	0	0	0	0
Revaluation - Increments	0	0	0	0	0	0
Depreciation (Expense)	(2,076,332)	(237,266)	(356,101)	(140,057)	(58,630)	(2,868,386)
Other Movements	0	0	0	0	0	0
Balance as at 30 June 2012	<u>75,930,335</u>	<u>7,324,168</u>	<u>9,642,889</u>	<u>6,756,586</u>	<u>2,071,633</u>	<u>101,725,611</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

	2012 \$	2011 \$
9. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	1,949,890	2,245,592
ATO Amounts Payable	24,642	38,876
Prepaid Rent, Grants and Services	270,317	314,970
Excess Rates	41,369	44,805
Accrued Expenses	444,838	112,820
Accrued Wages	108,101	69,857
Accrued Interest on Debentures	42,629	55,115
	<u>2,881,786</u>	<u>2,882,035</u>
10. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge Debentures	<u>1,316,669</u>	<u>881,025</u>
	<u>1,316,669</u>	<u>881,025</u>
Non-Current		
Secured by Floating Charge Debentures	<u>7,283,495</u>	<u>4,322,164</u>
	<u>7,283,495</u>	<u>4,322,164</u>
Additional detail on borrowings is provided in Note 22.		
11. PROVISIONS		
Current		
Provision for Annual Leave	916,004	1,048,090
Provision for Long Service Leave	655,408	732,839
	<u>1,571,412</u>	<u>1,780,929</u>
Non-Current		
Provision for Long Service Leave	<u>324,842</u>	<u>318,295</u>
	<u>324,842</u>	<u>318,295</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

	2012 \$	2012 Budget \$	2011 \$
12. RESERVES - CASH/INVESTMENT BACKED			
(a) Leave Reserve			
Opening Balance	1,500,673	1,510,924	1,242,897
Amount Set Aside / Transfer to Reserve	99,065	287,000	257,776
Amount Used / Transfer from Reserve	0	0	0
	<u>1,599,738</u>	<u>1,797,924</u>	<u>1,500,673</u>
(b) Building Reserve			
Opening Balance	3,150,647	1,444,787	2,186,176
Amount Set Aside / Transfer to Reserve	1,647,423	739,000	1,213,071
Amount Used / Transfer from Reserve	(828,705)	(1,666,000)	(248,600)
	<u>3,969,365</u>	<u>517,787</u>	<u>3,150,647</u>
(c) Public Open Space Reserve			
Opening Balance	935,717	654,467	829,175
Amount Set Aside / Transfer to Reserve	703,908	310,000	297,542
Amount Used / Transfer from Reserve	(88,041)	(224,930)	(191,000)
	<u>1,551,584</u>	<u>739,537</u>	<u>935,717</u>
(d) Drainage Reserve			
Opening Balance	1,035,779	964,698	1,094,898
Amount Set Aside / Transfer to Reserve	536,776	178,000	243,181
Amount Used / Transfer from Reserve	(47,585)	(49,950)	(302,300)
	<u>1,524,970</u>	<u>1,092,748</u>	<u>1,035,779</u>
(e) Plant Reserve			
Opening Balance	2,112,871	2,023,153	1,643,065
Amount Set Aside / Transfer to Reserve	1,412,093	788,000	876,106
Amount Used / Transfer from Reserve	(1,516,601)	(1,907,000)	(406,300)
	<u>2,008,363</u>	<u>904,153</u>	<u>2,112,871</u>
(f) BRAC (Leisure Centre) Reserve			
Opening Balance	53,854	37,754	61,300
Amount Set Aside / Transfer to Reserve	8,554	2,000	2,554
Amount Used / Transfer from Reserve	0	(23,000)	(10,000)
	<u>62,408</u>	<u>16,754</u>	<u>53,854</u>
(g) Road Reserve			
Opening Balance	3,401,143	3,004,738	406,943
Amount Set Aside / Transfer to Reserve	1,272,022	1,124,000	3,359,400
Amount Used / Transfer from Reserve	(3,210,296)	(3,528,095)	(365,200)
	<u>1,462,869</u>	<u>600,643</u>	<u>3,401,143</u>
(h) Footpath Reserve			
Opening Balance	1,583,678	699,026	846,966
Amount Set Aside / Transfer to Reserve	484,517	144,000	925,212
Amount Used / Transfer from Reserve	(149,154)	(242,525)	(188,500)
	<u>1,919,041</u>	<u>600,501</u>	<u>1,583,678</u>
(i) Car Park Reserve			
Opening Balance	59,133	169,627	301,474
Amount Set Aside / Transfer to Reserve	268,304	118,000	120,559
Amount Used / Transfer from Reserve	(32,139)	(114,420)	(362,900)
	<u>295,298</u>	<u>173,207</u>	<u>59,133</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

	2012 \$	2012 Budget \$	2011 \$
12. RESERVES - CASH/INVESTMENT BACKED (continued)			
(j) IT and Equipment Reserve			
Opening Balance	435,579	255,976	551,889
Amount Set Aside / Transfer to Reserve	207,754	187,000	193,990
Amount Used / Transfer from Reserve	<u>(317,376)</u>	<u>(363,500)</u>	<u>(310,300)</u>
	<u>325,957</u>	<u>79,476</u>	<u>435,579</u>
(k) Refuse Site Reserve			
Opening Balance	3,016,132	2,081,552	1,761,742
Amount Set Aside / Transfer to Reserve	1,442,593	764,675	1,254,390
Amount Used / Transfer from Reserve	<u>(468,792)</u>	<u>(181,960)</u>	<u>0</u>
	<u>3,989,933</u>	<u>2,664,267</u>	<u>3,016,132</u>
(l) Restricted Cash Reserve			
Opening Balance	2,530,253	2,394,700	1,051,498
Amount Set Aside / Transfer to Reserve	4,407,598	0	2,265,058
Amount Used / Transfer from Reserve	<u>(2,339,957)</u>	<u>(2,060,000)</u>	<u>(786,303)</u>
	<u>4,597,894</u>	<u>334,700</u>	<u>2,530,253</u>
(m) EDL Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	426,405	0	0
Amount Used / Transfer from Reserve	<u>(22,600)</u>	<u>0</u>	<u>0</u>
	<u>403,805</u>	<u>0</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u>23,711,225</u>	<u>9,521,697</u>	<u>19,815,459</u>

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

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

Leave Reserve -	To be used to fund annual and long service leave requirements.
Building Reserve -	To be used for renewal, upgrade, replacement or new building construction.
Public Open Space (P.O.S.) Reserve -	To be used for renewal, upgrade, replacement or new public open space facilities. Any contributions from developers are held in Trust.
Drainage Reserve -	To be used for the construction of drainage headworks. Typically funds are from contributions made by developers.
Plant Reserve -	To be used for the renewal, upgrade or purchase of new mobile plant and engineering equipment.
BRAC (Leisure Centre) Reserve -	To be used for the construction of a Recreation infrastructure and facilities.
Road Reserve -	To be used for renewal, upgrade, replacement or new streets and roads.
Footpath Reserve -	To be used for renewal, upgrade, replacement or new footpaths. Typically funds are from contributions made by developers.
Carpark Reserve -	To be used for renewal, upgrade, replacement or new carparks. Typically funds are from "Cash In Lieu" payments from developers.
IT and Equipment Reserve -	To be used to pay for renewal, upgrade or new office equipment and IT hardware.
Refuse Site Reserve -	To be used for the current and future costs of maintaining the refuse site in accordance with operational needs and environmental guidelines.
Restricted Cash Reserve -	To be used for the future expenditure of unspent loans, grants and special council restricted funds.
EDL Reserve -	To hold funds to be on spent community projects as approved by Energy Development Limited.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

13. RESERVES - ASSET REVALUATION

	2012 \$	2011 \$
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
(a) Land and Buildings		
Opening Balance	23,419,682	4,779,847
Revaluation Increment	0	18,639,835
Revaluation Decrement	0	0
	<u>23,419,682</u>	<u>23,419,682</u>
(b) Infrastructure Including Roads		
Opening Balance	28,356,220	28,754,627
Revaluation Increment	0	0
Revaluation Decrement	0	(398,407)
	<u>28,356,220</u>	<u>28,356,220</u>
TOTAL ASSET REVALUATION RESERVES	<u>51,775,902</u>	<u>51,775,902</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

14. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	2012 \$	2012 Budget \$	2011 \$
Cash and Cash Equivalents	<u>27,828,261</u>	<u>8,954,626</u>	<u>15,042,654</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	6,035,711	4,432,247	9,896,120
Depreciation	5,937,214	5,909,500	4,997,907
Writedown in fair value of Investments			
Impairment (Loss)/Reversal			
(Profit)/Loss on Sale of Asset	(54,772)	(116,500)	(12,951)
(Increase)/Decrease in Receivables-Rates & Rubbish	(54,136)	(200,000)	(33,364)
(Increase)/Decrease in Receivables-Sundry	1,167,757	(40,000)	(1,427,839)
(Increase)/Decrease in Receivables-Sundry Provisior	40,063	(30,000)	(195,102)
(Increase)/Decrease in Inventories	(5,153)	(10,000)	(5,715)
Increase/(Decrease) in Payables-Creditors	(295,702)	20,000	446,646
Increase/(Decrease) in Payables-Other	(26,720)	(10,000)	(56,569)
Increase/(Decrease) in Employee Provisions	(164,726)	200,000	189,501
Increase/(Decrease) in Provisions-Other	283,929	205,443	153,245
Grants/Contributions for the Development of Assets	<u>(4,525,890)</u>	<u>(7,522,560)</u>	<u>(7,928,756)</u>
Net Cash from Operating Activities	<u>8,337,575</u>	<u>2,838,130</u>	<u>6,023,123</u>
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank Overdraft limit	701,000		701,000
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	<u>726,000</u>		<u>726,000</u>
Loan Facilities			
Loan Facilities - Current	1,316,669		881,025
Loan Facilities - Non-Current	<u>7,283,495</u>		<u>4,322,164</u>
Total Facilities in Use at Balance Date	<u>8,600,164</u>		<u>5,203,189</u>
Unused Loan Facilities at Balance Date	<u>0</u>		<u>0</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

15. CONTINGENT LIABILITIES	2012	2011
	\$	\$
Shinju Matsuri Loan/Overdraft Guarantee	15,000	15,000
North West Expo Payment Guarantee	25,000	25,000
	<u>40,000</u>	<u>40,000</u>

16. CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

Council has no finance lease commitments.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:

- not later than one year	353,186	6,146
- later than one year but not later than five years	87,984	0
- later than five years	0	0
	<u>441,170</u>	<u>6,146</u>

(c) Capital Expenditure Commitments

Contracted for:

- Building Construction & Fixed Plant	4,191,723	67,444
- Infrastructure Construction	905,032	107,376
- Mobile Plant and Equipment	0	586,534
- Furniture and Equipment	0	22,189

Payable:

- not later than one year	5,096,755	783,541
- later than one year but not later than five years	0	0

The capital expenditure projects outstanding at the end of the reporting periods are:

30 June 2012

BOSCCA Building Renewal Works
 Shire Office Barker St - Building Upgrade Wks
 Clementson St Reconstruction Stages 1 & 2
 Arts Centre Building Design & Construction & Renewal Energy Upgrade

30 June 2011

BRAC Amenities Pavilion - New Construction
 Broome Performing Arts centre - Architectural Services
 Library Building Renewal
 Shire Administration Office Building Renewal
 Town Beach Café Building Renewal

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

17. JOINT VENTURE

The Shire is not involved in any joint venture arrangements

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2012	2011
	\$	\$
Governance	406,532	4,091
General Purpose Funding	4,337,614	2,875,492
Law, Order, Public Safety	1,576,111	1,446,848
Health	25,009	0
Education and Welfare	1,528	1,918
Housing	38,066	0
Community Amenities	14,366,019	12,702,812
Recreation and Culture	32,334,391	26,913,277
Transport	86,943,552	88,683,056
Economic Services	9,530,815	8,865,613
Other Property and Services	29,757,460	29,433,367
Unallocated	5,899,729	5,060,885
	<u>185,216,826</u>	<u>175,987,359</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

	2012	2011	2010
19. FINANCIAL RATIOS			
Current Ratio	1.34	1.31	1.20
Untied Cash to Unpaid Trade Creditors Ratio	2.09	1.18	1.68
Debt Ratio	0.07	0.06	0.06
Debt Service Ratio	0.04	0.04	0.05
Gross Debt to Revenue Ratio	0.27	0.19	0.20
Gross Debt to Economically Realisable Assets Ratio	0.10	0.07	0.11
Rate Coverage Ratio	0.41	0.40	0.47
Outstanding Rates Ratio	0.02	0.01	0.01

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted current assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	debt service cost

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

20. TRUST FUNDS

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

	Balance 1 July 2011 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2012 \$
Footpath Damage Deposits	31,871	664	(1,200)	31,335
Library Transient Borrower Deposits	10,804	0	(60)	10,744
Election Nomination Deposits	0	880	(880)	0
Other General Purpose Deposits	6,212	2,137	(841)	7,508
BCITF Collection & Refund Deposits	6,764	167,803	(165,221)	9,346
Japanese Cemetery Improvements Deposits	0	0	0	0
Town Planning Related Bond Deposits	129,627	40,187	1	169,815
Cemetery Plot Reservation Deposits	1,399	6,470	(165)	7,704
Recreation Facility use Bond Deposits	115,453	7,360	(115,647)	7,166
Cash In Lieu Of Public Open Space	88,484	4,646	(1)	93,129
Parking Facilities Bond Deposits	0	0	0	0
Road & Footpath Facilities Bond Deposits	659,691	127,741	(164,173)	623,259
Capital Works Bond Deposits	2,832	95	0	2,927
Bank Guarantee Deposits Received	30,533	1,233	0	31,766
Contract Bonds & Retentions	0	0	0	0
Overpayments Held	0	0	0	0
Unclaimed Monies	19,093	50	0	19,143
BRB Levy	1,053	25,927	(20,401)	6,579
Staff Rental Bonds	11,483	29,307	(14,477)	26,313
	<u>1,115,299</u>			<u>1,046,734</u>

21. DISPOSALS OF ASSETS - 2011/2012 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance	0	20,000	0	17,000	0	(3,000)
General Purpose Funding	0	0	0	0	0	0
Law, Order, Public Safety	6,858	11,500	9,363	9,000	2,505	(2,500)
Health	0	23,000	0	17,000	0	(6,000)
Education and Welfare	0	0	0	0	0	0
Housing	0	0	0	0	0	0
Community Amenities	0	58,000	682	64,000	682	6,000
Recreation and Culture	0	3,500	0	18,000	0	14,500
Transport	0	0	0	0	0	0
Economic Services	0	15,000	0	17,000	0	2,000
Other Property and Services	188,340	523,500	239,925	629,000	51,585	105,500
	<u>195,198</u>	<u>654,500</u>	<u>249,970</u>	<u>771,000</u>	<u>54,772</u>	<u>116,500</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

22. INFORMATION ON BORROWINGS

(a) Debiture Repayments

Loan Number	Loan Particulars/Purpose	Principal 1 July 2011 \$	New Loans \$	Principal Repayments		Principal 30 June 2012		Interest Repayments	
				Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Law Order & Public Safety									
176	New SES Shed (*)	63,766		16,949	16,950	46,817	46,817	3,367	3,366
Housing									
196	McMahon Estate Staff Housing			0	0	0	830,000	0	24,900
Community Amenities									
181	Millington Rd Drainage Construction (Interest paid by third party)	200,780		35,328	35,328	165,452	165,453	12,108	12,002
188	Refuse Site Building Improvements and Construction	26,994		26,994	26,992	0	0	854	855
Recreation & Culture									
171	BRAC (Recreation Centre)	552,933		77,664	77,664	475,269	475,268	35,624	35,624
186	BRAC Stage 2 A	809,935		115,132	115,132	694,803	694,803	46,941	46,942
189	BRAC Stage 2 A - Ovals	181,562		87,572	87,572	93,990	93,990	10,539	10,540
191	BRAC Stage 2B - Oval Infrastructure	393,881		39,070	39,070	354,811	354,811	24,611	24,611
193	Arts Centre Redevelopment	0	4,278,000	0	0	4,278,000	4,608,000	1,852	139,800
194	BRAC Pavilion	950,000		72,258	72,258	877,742	877,742	49,599	55,171
Economic Services									
182	Visitors Centre Construction	519,334		91,378	91,377	427,956	427,957	31,319	31,319
185	Visitors Centre Construction Stage 2	193,035		27,440	27,440	165,595	165,595	11,188	11,188
Other Property & Services									
168	Loan # 168 Administration Building	1,166,193		258,350	258,351	907,843	907,842	82,548	82,550
192	Loan # 192 Street Sweeper New Plant	87,135		27,589	27,589	59,546	59,546	3,988	3,989
195	Bowling Club Synthetic Lawn (*)	57,643		5,303	5,303	52,340	52,339	3,579	3,536
		5,203,191	4,278,000	881,027	881,026	8,600,164	9,760,163	318,117	486,393

(*) Self supporting loan financed by payments from third parties.
All other loan repayments were financed by general purpose revenue.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

22. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2011/2012

Loan Number	Loan Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
		Actual \$	Budget \$						Actual \$	Budget \$	
193	Arts Centre Redevelopment	4,278,000	4,608,000	WA Treasury Corporation	Debenture	10	965,800	3.95%	756,668	4,608,000	3,521,332

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1 July 2011 \$	Borrowed During Year \$	Expended During Year \$	Balance 30 June 2012 \$
Loan # 191 BRAC Stage 2B - Oval Infrastructure	26/06/2009	15,843	0	15,843	0
Loan # 194 BRAC Pavilion	23/04/2011	102,555	0	102,555	0
Loan # 193 Arts Centre Redevelopment	27/06/2012	0	4,278,000	756,668	3,521,332
		118,398	4,278,000	875,066	3,521,332

(d) Overdraft

Council has utilised an overdraft facility during previous financial years with a maximum amount of \$701,000 with the Commonwealth Bank. The overdraft is established to cover periods when there are delays in receiving funding at the beginning/end of financial years. It is anticipated that this facility will not be required to be utilised during budget year prior to the due date of the rates.

The Credit Card with a maximum amount of \$25,000 with the Commonwealth Bank is used to procure goods & services typically paid for by a credit card such as travel, accommodation and IT equipment.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

SHIRE OF BROOME - NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

23. RATING INFORMATION - 2011/2012 FINANCIAL YEAR		SHIRE OF BROOME - NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012										
(a) Rates		Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
RATE TYPE												
Differential General Rate												
<u>Gross Rental Valuations</u>												
GRV - Broome Residential		7.4554	3,916	98,503,388	7,122,665	85,711	4,163	7,212,539	7,022,244	50,000	5,000	7,077,244
GRV - Broome Residential Vacant		12.1355	362	5,135,990	428,729	105,066		533,785	518,919	50,000		568,919
GRV - Broome Commercial Group		8.9667	584	47,661,337	4,181,084	50,637	4,001	4,235,722	4,161,740	25,000		4,186,740
GRV - Broome Tourism Group		10.0152	392	21,578,412	1,841,262	(8,548)	237	1,832,951	1,838,604	25,000		1,863,604
GRV - Broome Non-Current Parent Lots			26		45,217	(38,308)		6,909				
GRV - Exempt			70	2,651,485		229		229				
<u>Unimproved Value Valuations</u>												
UV - Dampier Pastoral		2.3035	13	5,145,669	117,976	(8)		117,968	117,976			117,976
UV - Dampier Mining		11.5579	30	790,426	62,761	14,887	21	77,669	55,169			55,169
UV - Dampier Coconut Wells		0.1562	35	65,541,500	105,954			105,954	105,942			105,942
UV - Dampier Twelve Mile		0.3095	77	34,418,500	106,525			106,525	107,759			107,759
UV - Dampier Short Stay Accommodation		3.4030	6	765,300	26,033	10		26,043	26,033			26,033
UV - Dampier Commercial Operations & Pearling Leases		2.3065	11	2,223,000	41,902			41,902	42,394			42,394
UV - Dampier Horticultural & Wattle Downs		0.3962	5	1,625,000	11,635	(3,225)		8,410	9,902			9,902
UV - Dampier Skuthorpe		0.4475	7	3,362,000	15,537	(492)		15,045	15,630			15,630
UV - Exempt			27									
Sub-Totals			5,561	289,402,007	14,107,280	205,949	8,422	14,321,651	14,022,212	150,000	5,000	14,177,212
Minimum Rates		Minimum \$										
<u>Gross Rental Valuations</u>												
GRV - Broome Residential		1004	93		93,372			93,372	62,248			62,248
GRV - Broome Residential Vacant		1004	60		60,240			60,240	72,288			72,288
GRV - Broome Commercial Group		1004	11		11,044			11,044	15,060			15,060
GRV - Broome Tourism Group		1004	501		503,004			503,004	503,004			503,004
GRV - Broome Non-Current Parent Lots			2		2,008			2,008				
<u>Unimproved Value Valuations</u>												
UV - Dampier Pastoral		1004	2		2,008			2,008	3,012			3,012
UV - Dampier Mining		1004	39		39,156			39,156	39,156			39,156
UV - Dampier Coconut Wells		1004	2		2,008			2,008	2,008			2,008
UV - Dampier Twelve Mile		1004	2		2,008			2,008				
UV - Dampier Commercial Operations & Pearling Leases		1004	2		2,008			2,008	1,004			1,004
UV - Dampier Horticultural & Wattle Downs		1004	1		1,004			1,004	2,008			2,008
UV - Dampier Skuthorpe		1004	1		1,004			1,004				
UV - Exempt												
Sub-Totals			713		715,852			715,852	699,788			699,788
Ex-Gratia Rates					15,037,503			15,037,503				14,877,000
Discounts (refer note 26)					20,877			20,877				20,900
Write Offs (refer note 26)					15,058,380			15,058,380				14,897,900
					(6,644)			(6,644)				(6,649)
Totals					15,051,736			15,051,736				14,891,251

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

23. RATING INFORMATION - 2011/2012 FINANCIAL YEAR (Continued)

(b) Information on Surplus/Deficit Brought Forward

	2012 (1 July 2011 Brought Forward)	2011 (30 June 2011 Carried Forward)
	\$	\$
Surplus/(deficit) 1 July 2011 Brought Forward	<u>2,121,790</u>	<u>2,121,790</u>
Comprises:		
CURRENT ASSETS		
Cash Assets		
Cash - Unrestricted	2,707,097	2,707,097
Cash Reserves - Restricted	19,815,459	19,815,459
Receivables		
Sundry Debtors	2,100,806	2,100,806
Rates and Rubbish Debtors	173,014	173,014
Other Assets		
Sundry Provisions and Accruals	279,292	279,292
Inventories	23,869	23,869
Self Supporting Loan Principle Receivable	22,252	22,252
Adjustments for Excluded Assets		
Reserves & Other Restricted Cash	(19,815,459)	(19,815,459)
Restricted Cash To Be Spent or become Unrestricted in the Year		
Self Supporting Loans Principal Receivable	(22,252)	(22,252)
CURRENT LIABILITIES		
Cash Liabilities		
Overdraft (Excluding Restricted Cash)	-	-
Loan Principal Payable	881,025	881,025
Trade and Other Payables		
Sundry Creditors	2,245,592	2,245,592
Other Payables	566,584	566,584
Employee Provisions and Accruals		
Leave Provisions	1,780,929	1,780,929
Accruals	69,859	69,859
Excluded Liabilities		
Loan Principal Payable	(881,025)	(881,025)
Employee Liabilities Cash Backed in Reserves	(1,500,676)	(1,500,676)
Surplus/(Deficit)	2,121,790	2,121,790

Difference:

There was no difference between the Surplus/(Deficit) 1 July 2011 Brought Forward position used in the 2012 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2011 audited financial report.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

24. SPECIFIED AREA RATE - 2011/2012 FINANCIAL YEAR

There are no specified area rates.

25. SERVICE CHARGES - 2011/2012 FINANCIAL YEAR

The Shire Of Broome imposes no service charges.

26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2011/2012 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Write-Offs		0	10,000
	Concessions		6,644	
Minimum Rate	Discount		NIL	NIL
Other Discounts and Write-Offs				
General Debtors	Discount		NIL	NIL
	Write-Offs		1,245	10,000

No discount on rates is available.

27. INTEREST CHARGES AND INSTALMENTS - 2011/2012 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		52,994	50,000
Interest on Rates Instalments Plan	5.50%		76,505	76,400
Charges on Rates Instalment Plan		7	33,537	34,000
			163,036	160,400

Ratepayers had the options of paying rates in either two or four equal instalments, due on 30th September 2011, 30th November 2011, 30th January 2012 and 30th March 2012. Administration charges and interest applied to the unpaid instalments after the first instalment.

28. FEES & CHARGES	2012 \$	2011 \$
Governance	0	385
General Purpose Funding	78,623	58,726
Law, Order, Public Safety	54,338	56,567
Health	84,219	97,852
Education and Welfare	24	0
Housing	550,526	699,766
Community Amenities	4,308,133	3,942,017
Recreation and Culture	871,501	698,816
Transport	7,273	13,638
Economic Services	766,611	713,688

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

29. GRANT REVENUE	2012		2011
	\$		\$
By Nature and Type:			
Operating Grants, Subsidies and Contributions	6,911,525		4,824,087
Non-Operating Grants, Subsidies and Contributions	4,525,890		7,928,756
	<u>11,437,415</u>		<u>12,752,843</u>
By Program:			
Governance	766,242		237,435
General Purpose Funding	3,642,339		2,767,441
Law, Order, Public Safety	404,111		393,446
Health	500		13,800
Education and Welfare	104,526		92,100
Housing	0		3,334
Community Amenities	136,139		100,746
Recreation and Culture	2,707,341		2,997,424
Transport	2,771,833		5,330,131
Economic Services	145,334		142,543
Other Property and Services	759,050		674,442
	<u>11,437,415</u>		<u>12,752,842</u>
30. COUNCILLORS' REMUNERATION	2012	2012	2011
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees - Council and Local Government Association	90,500	70,000	70,000
President's Allowance	22,350	30,200	30,200
Deputy President's Allowance	2,400	3,800	3,800
Travelling and Conference Expenses	79,560	68,000	69,075
Telecommunications and IT Allowances	18,950	30,600	30,600
	<u>213,760</u>	<u>202,600</u>	<u>203,675</u>
31. EMPLOYEE NUMBERS	2012		2011
The number of full-time equivalent employees at balance date	<u>153</u>		<u>148</u>
32. MAJOR LAND TRANSACTIONS			
There were no major land transactions in 2011/2012 financial year.			
33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS			
Council did not participate in any trading undertakings or major trading undertakings during the 2011/2012 financial year.			

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

34. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	27,828,261	15,042,654	27,828,261	15,042,654
Receivables	1,508,297	2,684,230	1,508,297	2,684,230
Financial assets at fair value through profit or loss	0	7,479,902	0	7,479,902
	<u>29,336,558</u>	<u>25,206,786</u>	<u>29,336,558</u>	<u>25,206,786</u>
Financial Liabilities				
Payables	2,881,786	2,882,035	2,881,786	2,882,035
Borrowings	8,600,164	5,203,189	8,439,727	4,089,362
	<u>11,481,950</u>	<u>8,085,224</u>	<u>11,321,513</u>	<u>6,971,397</u>

Fair value is determined as follows:

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit or loss

Council has two types of investments these being cash and cash equivalents and financial assets at fair value through profit or loss.

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). 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 and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

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

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where

	30 June 2012	30 June 2011
	\$	\$
Impact of a 10% (*) movement in price of investments:		
- Equity	0	747,990
- Income Statement	0 (+)	747,990 (+)
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	278,283	225,226
- Income Statement	278,283	225,226

Notes:

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

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

(+) Maximum impact.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

34. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	30 June 2012	30 June 2011
Percentage of Rates and Annual Charges		
- Current	29%	0%
- Overdue	71%	100%
Percentage of Other Receivables		
- Current	71%	35%
- Overdue	29%	65%

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

34 FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables Borrowings

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

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

	<u>2012</u>	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	2,244,849	0	0	0	2,244,849	2,244,849
Borrowings	1,703,288	5,390,526	3,256,844	8,600,164	10,350,658	8,600,164
	<u>3,948,137</u>	<u>5,390,526</u>	<u>3,256,844</u>	<u>10,845,013</u>	<u>12,595,507</u>	<u>10,845,013</u>
Payables	2,599,438	0	0	0	2,599,438	2,599,438
Borrowings	1,035,844	3,292,870	379,176	4,707,890	5,203,191	5,203,191
	<u>3,635,282</u>	<u>3,292,870</u>	<u>379,176</u>	<u>7,307,328</u>	<u>7,802,629</u>	<u>7,802,629</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012

34 FINANCIAL RISK MANAGEMENT (Continued)

(c) Borrowings (Continued)

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

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

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
Year Ended 30 June 2012								
Borrowings								
Fixed Rate								
Debtures	146,330	59,546	954,660	593,408	1,335,667	5,510,553	8,600,164	5.28%
Weighted Average Effective Interest Rate	6.90%	5.12%	7.85%	6.31%	6.40%	4.41%		
Year Ended 30 June 2011								
Borrowings								
Fixed Rate								
Debtures	26,994	181,562	87,135	1,229,959	0	3,677,541	5,203,191	6.64%
Weighted Average Effective Interest Rate	6.34%	7.20%	5.12%	7.84%	N/A	6.24%		

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012



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

Report on the Financial Report

We have audited the accompanying financial report of the Shire of Broome, which comprises the statement of financial position as at 30 June 2012, 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.

Management's Responsibility for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial report.

We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion, the financial report of the Shire of Broome is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a. giving a true and fair view of the Shire's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

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Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2012



INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF BROOME (Continued)

Other Matters

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) All necessary information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON
CHARTERED ACCOUNTANTS

A handwritten signature in blue ink, appearing to read 'David Tomasi'.

DAVID TOMASI
PARTNER

Date: 15 November 2012
Perth, WA



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Feedback

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

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Email: shire@broome.wa.gov.au

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