



Annual Report 2020-2021



What is the Annual Report?

As required by the Local Government Act 1995 and associated regulations the Annual Report for 2020/21 provides an overview of the operations, activities and major projects undertaken by the Shire for that period, and includes major initiatives proposed to commence or to continue in the next financial year.

The performance of the Council is assessed against the Vision, Mission, Strategic Goals, Outcomes and Strategies as set out in the Shire of Broome Strategic Community Plan 2019-2029 and the Actions contained in the Corporate Business Plan 2020-2024.

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



SHIRE OF BROOME
Cnr Weld and Haas Street
Broome WA 6725
PO Box 44 Broome 6725

Ph: 08 9191 3456
Email: shire@broome.wa.gov.au
www.broome.wa.gov.au



Acknowledgement of Country

Wirriya ngangaran liyan nyamba buru yawuru

We hope you are feeling good in our yawuru country

The Shire of Broome acknowledges the Yawuru people as the native title holders of the lands and waters in and around Rubibi (the town of Broome) together with all native title holders throughout the Shire.

We pay respect to the Elders, past, present and emerging, of the Yawuru people and extend that respect to all Aboriginal Australians living within the Shire of Broome.





Our Vision

Broome
a future for
everyone

Our Mission

To deliver affordable and quality
Local Government services.



Our Values

These are the values and behaviours that the Shire of Broome and the local community cares deeply about. We always strive to be:

- P** **Proactive**, forward thinking, open-minded and innovative.
- E** **for Everyone**; inclusive and welcoming of all people.
- A** **Accountable**, transparent and ethical.
- R** **Respectful** of everyone and everything.
- L** **Listening** to people's needs and ideas; community focused.
- S** **Sustainable**, aiming to meet present needs without compromising the ability for future generations to meet their needs.

Our Four Pillars



People

- Safety and security
 - Public health and wellbeing
 - Health and community services
 - Housing
 - Animal management
 - Community buildings (Civic Centre)
 - Sport and recreation (BRAC)
 - Playgrounds, parks & reserves
 - Library services
 - Local history and heritage
 - Festivals, events, art & culture
 - Youth services
 - Family & children services
 - Seniors services
 - Disability access
 - Aboriginal history & heritage
 - Volunteer support & recognition
-



Place

- Conservation and environment
 - Sustainable practices
 - Beaches and foreshore management
 - Mosquito control
 - Waste management
 - Ranger services
 - Natural disaster management
 - Planning and building approvals
 - Asset management
 - Sealed roads
 - Unsealed roads
 - Street lighting
 - Parking
 - Streetscapes
 - Footpaths, cycleways & trails
 - Marine facilities
 - Transport linkages
-



Prosperity

- Place activation
 - Economic development
 - Tourism attractions & marketing
 - Telecommunications & internet
 - Education and training
 - Property investment portfolio management
-



Performance

- Governance
- Council's leadership
- Integrated planning and reporting
- Advocacy and lobbying
- Financial management / value for money
- Rates
- Risk management
- Human resource management
- Innovation & technology
- Information management
- Community consultation
- Communication
- Customer service

Statistics Snapshot 2020/21



\$29.98M

Value of Development Applications



\$55.35M

Value of Approved Building Applications



333

Number of Building Applications



90

Development Applications



48,196

Library Loans



61,550

BRAC Pool Entries



18,876

Tonnes of Material Recycled



9,169sqm

New Footpaths



\$18,660

Kidsport Grants



13,596

People Attended Broome Civic Centre Events



51

New Australia Citizens



3,000ppl

Chinatown Christmas trails



4

Surf Rescues at Cable Beach



589

Ranger Infringements



7893

Unique Client Devices

2.41TB

Traffic Transferred

2021 Chinatown WiFi Statistics



CAPITAL WORKS PROGRAM

2020/21: \$23.8M	2016/17: \$10.6M
2019/20: \$24.3M	2015/16: \$9.1M
2018/19: \$24.5M	2014/15: \$6.9M
2017/18: \$8.2M	

Contents

What Is The Annual Report?	2	Our Place	30
Acknowledgement of Country	3	Cable Beach Protected for the Future	30
Our Vision & Mission	4	Town Beach Foreshore Redevelopment	31
Our Values	5	Cape Leveque Road Now Sealed	32
Our Four Pillars	6	Guniyan Binba Conservation Park	32
Statistics Snapshot 2020/21	7	Streeter's Jetty Refurbishment	33
President's Report	10	Broome Boating Facility	33
Chief Executive Officer's Report	11	Infrastructure Statistics	34
About Council	12	Ranger Services	35
Councillor Meeting Attendance	13	Planning Approvals	35
About Broome	14	Waste and Recycling	36
About Shire Of Broome	15	Our Prosperity	37
Executive	15	Economic Development Strategy	37
2020/21 Year In Review	17	EDS at a Glance	37
Chinatown Revitalisation Project	18	Our Performance	38
Regional Resource Recovery Park	20	Compliance	38
Our People	22	Risk Management	38
Environmental Health	22	Disability Access and Inclusion Plan	39
Broome Civic Centre	22	Information Technology	39
Broome Public Library	22	Employee Remuneration	40
Sport and Recreation	23	Employees	40
New Sports Courts at BRAC	24	Years of Service	41
Broome Golf Club Project Completed	24	Employee Age	41
New Broome Bushfire Station Opened	25	2020/21 Financial Statements	42
Life Rings Installed at Gantheaume Point	25	Statement by the Chief Executive Officer	43
Banned Drinkers Register Rolled Out	26	Statement of Comprehensive Income by Nature or Type	45
Community Safety Forum Held	26	Statement of Comprehensive Income By Program	46
Discovery Festival a Big Hit	27	Statement of Financial Position	47
Youth Kicking Goals in Broome	27	Statement of Changes In Equity	48
Cable Beach Lifeguards Service	28	Statement of Cash Flows	49
Housing Roundtables Initiated	29	Rate Setting Statement	50
Citizenship	29	Notes to and Forming Part of the Financial Report	51
		Independent Audit Report	97



President's Report



Welcome to the 2020/21 Annual Report, at the conclusion of a massively busy year for both our town and the Shire.

After the uncertainty around COVID-19 and associated travel restrictions through the 2019/20 Financial Year, the last 12 months have been an excellent example of just how resilient Broome can be.

Harold Tracey, Shire President

Our town has recorded one of the busiest tourist seasons in memory, while the Shire has forged ahead with executing the actions in our Strategic Community Plan.

Much of the positive work has centered around the ongoing development of two of our major precincts – Chinatown and Town Beach.

Stage Two of the Chinatown Revitalisation Project is well underway and is scheduled to be completed in the very near future – I am sure you will all agree, our town centre is looking amazing.

The installation of public art, refreshing of streetscapes and provision of activation spaces means Chinatown is a more inviting place for people to visit and our amazing retailers to trade.

At Town Beach, it has been apparent over the last 12 months just how much our community has embraced the refreshed foreshore.

Our playground and water park are adored by local families, while the precinct has been well-patronised for events such as the Australia Day celebrations, school holiday programs and Thursday night markets.

Given the progression in Chinatown and at Town Beach, it would be easy to overlook just how many other improvements the Shire has made over the last 12 months.

The new Broome Golf Club facilities were officially opened in March 2021, while our fantastic outdoor courts at BRAC, aptly named after long-serving Councillor Philip Matsumoto, have also been unveiled.

Both projects provide even more sporting and associated infrastructure for the Broome community – with plans ahead to overhaul the Broome Skatepark also.

The new Broome Bushfire Station was also completed and opened over the last 12 months, which means our selfless emergency services personnel have a dedicated hub to keep our community safe.

Meanwhile, the selection of a site to house a state-of-the-art Regional Resource Recovery Park in April 2021 was critically important to the future waste needs of our town and region.

The old adage of Local Governments simply focusing on the three Rs – Rates, Roads and Rubbish – are long gone, and our Shire and administration pride itself on being progressive and proactive.

As such, over the last 12 months the Shire has looked to play a role in finding solutions to issues that are not necessarily part of our core legislative function.

That is why I chaired a Community Safety Forum in December 2020, to get the relevant decision makers from relevant organisations and government agencies in front of the community – to hear your feedback and experiences firsthand.

With the rollout of the Shire's Community Safety Plan, we are looking to be leaders in this space and help solve some of our town's issues around crime and anti-social behaviour.

Over many years the Shire has called for liquor restrictions to be implemented in Broome and I was personally delighted that the Banned Drinkers Register and Takeaway Alcohol Management System technology were rolled out by the State Government in June 2021.

Finally, with our town experiencing housing shortages, the Shire called crisis roundtable meetings earlier this year with the responsible agencies in a bid to find solutions, while also changing short-stay accommodation policies to try to aid the situation.

Moving forward, there are so many exciting projects and initiatives in the pipeline, while we will continue to advocate and collaborate with the State and Federal Governments for the betterment of our town.

This Annual Report will provide more details of this year's achievements and the work undertaken by the Shire – thank you for your interest.

CEO's Report



The compilation of content for this Annual Report presents an ideal opportunity for the Shire and the community to stop, reflect and celebrate the achievements of the 12 months prior.

Sam Mastrolembro,
Shire Chief Executive Officer

Looking through the report shows just how persistent and diligent our Council and administration have been in making Broome an even better place to live, work and visit through 2020/21.

While high-profile infrastructure projects and new facilities may have garnered the majority of headlines in recent months, there are so many other good Shire news stories to tell.

The Shire's new vision – Broome: A Future for Everyone - encapsulates the ethos of our organisation and the Councillors elected by the community to represent them.

Over the course of the last 12 months, our organisation has worked hard to support the community in many ways.

Our grant funding rounds have assisted not-for-profit organisations, charities, service providers, tourism businesses and event organisers in delivering a wide range of initiatives for the greater good.

The outcome of this has been hundreds of thousands of dollars being granted by the Shire, which in turn boosts our local economy, creates jobs and supports the selfless organisations who embody the social fabric of Broome.

Given the economic fallout from COVID-19, the Council opted to keep rates increases to a minimum, reducing extra financial hardship to residents and businesses.

A carefully and meticulously crafted Budget has allowed the Shire to continue to provide essential services and improve our town, without burdening ratepayers.

At the same time, the Shire looks to use local contractors and suppliers wherever possible – keeping money in our community.

I have been delighted to see roughly 70 per cent of the funds dedicated to delivering the \$29.3 million Chinatown Revitalisation Project over recent years going into the pockets of local contractors and consultants.

Everything the Shire does is driven by community feedback and consultation, with the organisation working hard to engage with residents, businesses and relevant stakeholders at every possible opportunity.

This has resulted in your feedback from last year's Community Perceptions Survey being central to the adoption of our new Strategic Community Plan 2021-31 – the overarching document that will guide our activities in the short-to-medium term.

We have undertaken consultation to inform a number of important strategies over the last 12 months and I encourage everyone to have an input on what the Shire is doing by engaging with our organisation.

Looking to the future, the upcoming 12 months show no sign of slowing down for the Shire or no drop in the number of new projects and programs – and I wouldn't have it any other way.

The Shire is working tirelessly to improve Broome and to serve our community; I hope that by reading this Annual Report, the hard work and commitment of our team will be evident.

About Council

The Council of the Shire of Broome consists of nine elected members. Councillors are elected for a four-year term, with half of their terms expiring every two years. Local Government Elections are currently held on the third Saturday in October every odd year. The next ordinary election will be held on 16 October 2021.

Ward Review

The Local Government Act 1995, requires regular review of the Ward structure to ensure that equitable representation is maintained. Council conducted a review in late 2020, where following a period of public consultation officers recommended a move to a no ward structure to address the growing deviation in the ratio of councillors to electors. Council however, resolved to maintain the status quo in line with previous review in 2016.

This decision was reviewed by the Local Government Advisory Board (LGAB) who issued the following advice to Council:

"As this was the second review where Council had not made any adjustment despite the

ratio of councillors to electors exceeding the desired deviation of plus or minus 10%, the LGAB have made the following recommendation:

While the LGAB acknowledges the particular characteristics of the Shire of Broome's geography, population and representation profile, LGAB would like to recommend that the Shire undertakes a further ward and representation review ahead of the 2023 local government elections to encourage further consideration of either a revised ward structure (to return to a plus or minus 10% councillor to elector ratio), or to potentially consider discontinuance of the two ward system". A further Ward Review will therefore be undertaken in 2022.



Cr Harold Tracey
Shire President
Broome Ward
Term: 2021



Cr Fiona West
Broome Ward
Term: 2023



Cr Bruce Rudeforth
Broome Ward
Term: 2023



Cr Philip Matsumoto
Dampier Ward
Term: 2021



Cr Nik Wevers
Broome Ward
Term: 2023



Cr Desiree Male
Deputy Shire
President
Broome Ward
Term: 2021



Cr Peter Taylor
Broome Ward
Term: 2021



Cr Chris Mitchell
Broome Ward
Term: 2023



Cr Elsta Foy
Dampier Ward
Term: 2023



Councillor Meeting Attendance

Council is the decision-making body of the Shire and usually meets on the last Thursday of every month, at 5pm.

The number of Council meetings held during the year ended 30 June 2021 and the numbers of those meetings attended by each Elected Member is as follows:

Councillor	Ordinary Council Meeting (11)	Special Council Meeting (6)	Annual Electors' Meeting (1)	Audit & Risk Committee Meeting (4)
Cr Harold Tracey (Shire President)	7	3	1	3
Cr Desiree Male (Deputy Shire President)	10	4	1	3
Cr Elsta Foy	7	3	1	
Cr Philip Matsumoto	5	4	1	
Cr Chris Mitchell	11	6	1	3
Cr Bruce Rudeforth	11	6	1	2
Cr Peter Taylor	11	6	0	
Cr Fiona West	9	4		
Cr Nik Wevers	11	6	1	

Age Profile of Council Members	
Between 18 years and 24 years	-
Between 25 years and 34 years	-
Between 35 years and 44 years	3
Between 45 years and 54 years	1
Between 55 years and 64 years	-
Over the age of 64 years	5

Gender	
Male	5
Female	4

About Broome

The Shire of Broome has an extraordinary prehistoric presence preserved by isolation. It has fossilised tracks made by dinosaurs 130 million years ago, some of the oldest recorded Aboriginal art in Australia and some of the earliest recorded European visits.

The Shire of Broome is located in the Kimberley, covering approximately 56,000 square kilometres and with 900 kilometres of coastline. The town of Broome is situated on the end of a peninsula, surrounded by ocean, and land-locked by distance, some 2,200 kilometres north of Perth. White sandy beaches are framed on one side by blue ocean waters and on the other by red pindan soils, providing a stunning backdrop for recreational, cultural and tourist activities.

Founded as a pearling port over a hundred years ago, Broome boasts a multicultural population with Koepanger, Malay, Chinese, Japanese, European and Aboriginal cultures all blended to create Broome's captivatingly friendly and flamboyant character.

Around 28% of residents identify as Aboriginal or Torres Strait Islander. This is significantly higher than Western Australia (3.9%) and illustrates the central and significant position of Aboriginal people in the character and culture of the Broome community and economy. There are five Aboriginal communities, including the largest in Western Australia, and numerous Aboriginal outstations across the Shire.

Broome is the service and trade hub of the region, servicing agricultural, pastoral, mining, oil and gas production, and conservation jobs across the Kimberley. It also serves as the gateway for tourists and visitors to the Kimberley, including international visitors by cruise ship and aircraft.

The Shire of Broome was home to 16,907 people in 2019 and current projections indicate the population will reach 18,591 by 2031. However, the seasonal population of Broome can at times far exceed its residential population. Accounting for tourism visitors, short-stay workers and business travellers and other workers and people from around the Kimberley and North West using Broome as a base, the population of Broome can fluctuate as high as 30,000 people on any given day.

The residential population of the Shire is younger than the rest of Western Australia, with 0-14 years accounting for almost one in four residents in 2018. In contrast, Broome has a significantly lower share of residents aged 65 and over and has a below average share of people aged 15-24. This is linked to a trend in regional towns of sending older school age students to Perth and other locations for secondary and tertiary education.

The socio-economic attributes of the Broome population are marginally below national averages, primarily owing to the Shire's relative remoteness and lower access by households to economic resources. Despite this, personal wage and salary incomes are generally higher than the rest of Western Australia, with a median personal income of \$54,247 in 2016/17; 5.4% higher than the State average.

In 2016, the Shire of Broome was home to almost 7,400 jobs, up from 7,050 in 2011 and 5,965 in 2006. Jobs growth has slowed between the last Census periods, which corresponds with the slowing of population growth during this time. Being highly reliant on dry seasonal tourism, the Shire has been deeply impacted by the COVID-19 pandemic, experiencing an estimated loss of 250 jobs or around 3.2% of all jobs.



About Shire of Broome

Executive



Sam Mastrolembo
Chief Executive Officer

- Elected Member Support
- People and Culture
- Media and Promotions
- Special Projects
- Occupational Health and Safety



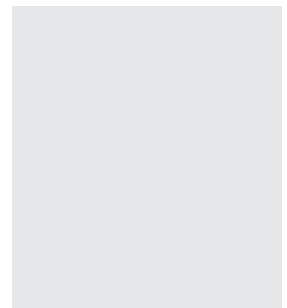
James Watt
Director Corporate Services

- Administration
- Governance
- Finance
- Information Services
- Customer Service
- Rates
- Integrated Strategic Planning



Andrew Graffen
Director Infrastructure

- Shire Facilities
- Engineering and Civil Operations
- Landscape and Open Space
- Asset Management
- Waste Services
- Works Administration



Vacant
Director Development and Community

- Town Planning Building and Environmental Health
- Community and Economic Development
- Rangers and Emergency Services





2020/21 Year in Review

This report summarises the Shire of Broome's progress during the 2020/21 Financial Year toward attaining the goals, outcomes and strategies set out in the Shire's Strategic Community Plan 2019-2029.

Chinatown Revitalisation Project

Chinatown has been transformed over the 2020-21 Financial Year, with Stage Two of the Revitalisation Project starting in November 2020 and progressing well over recent months.

Funded in partnership with the State Government, September 2019 marked the completion of Stage One and the announcement of the \$15.5 million Stage Two.

Extensive community consultation has taken place between the Shire, relevant stakeholders, impacted businesses and the community throughout 2020-21.

This involved setting up a Steering Committee and Chinatown Stakeholder and Community Reference Group, while regular community information sessions were also held to keep residents and businesses up to date with the latest information on the project.

Premier Mark McGowan visited Broome in September 2020 after Georgiou Group were named as the preferred tenderer to undertake Stage Two construction work.

Over the remainder of the financial year, significant upgrades across Napier Terrace, Short Street and Carnarvon Street were undertaken.

Notable public art was installed, activation spaces were created and Chinatown has been transformed into a more welcoming and useable space.

The remainder of Stage Two of the project will be completed in 2021-22, with the Shire thanking the community for its patience and for supporting impacted local retailers in our town centre.



Chinatown has been transformed thanks to \$29.3 million of funding from the Shire and State Government.



Regional Resource Recovery Park

With the landfill at Broome's existing Buckley's Road Waste Management Facility fast approaching the end of its operational life, the selection of a site for a new waste solution has been a major focus for the Shire in recent years.

In April 2021, the Council made the important decision to proceed with a site on Cape Leveque Road to house a new Regional Resource Recovery Park (RRRP).

With the community's desire to see a stronger commitment to waste minimisation and recycling, the RRRP is being planned to support Broome's waste needs for the next 70 years.

It will include a Community Recycling Centre (CRC), Liquid Waste Facility, supporting site infrastructure and a new best-practice landfill.

The Shire has been exploring potential sites for the RRRP within a 60km radius of Broome for a decade, with two potential options presented to the community for review.

Over six weeks of extensive consultation with key stakeholders and the community, the merits of two sites were assessed.

The overwhelming sentiment was that Site D2 was the preferred option, with the Council backing this location for the new RRRP.

The Shire will now seek all relevant approvals applications for the RRRP, develop a draft funding strategy for the project and commence detailed design services.

RRRP Community Review Overview

- Six-week Community Review process from February 15 2021 – March 29 2021
- Three Community Information Sessions held and four Pop-up Stalls hosted
- 200 surveys completed
- 28 Facebook posts, which reached 34,626 people and created 1512 engagements.
- Three e-newsletters sent to 2893 people.
- Dedicated project website created, www.rrrp.com.au, with 1852 visits during Community Review period.





Invaluable consultation with Nyamba Buru Yawuru, all relevant stakeholders and the Broome community was an integral part of this process.



Our People



Environmental Health

The role of the Shire of Broome environmental health officers is to manage and provide education on public environmental health risks in areas such as food safety, public buildings, lodging houses, caravan parks, aquatic facilities, drinking water, water reuse, skin penetration, property conditions and mosquito control.

Broome Public Library

The Broome Public Library is a thriving education and community hub that provides a range of services to residents and visitors. Along with traditional book loans, a swathe of electronic services and youth programs are used extensively. In the Shire's Community Perceptions Survey in early 2020, the library was rated with the highest performance of all our initiatives - with a 96% positive rating.

Broome Civic Centre

The Broome Civic Centre is Broome's premier event venue, with a total of 13,596 attending the centre in the 2020-21 Financial Year. Highlights included the Indigenous dance sensations Djuki Mala, the thought-provoking Ice Land: A Hip h'Opera and Marrugeku's amazing Straight Talk performance.





Sport and Recreation

Participation in sport and recreation continues to grow in Broome, with the Shire acutely aware that the provision of relevant infrastructure is critical for our community.

The Broome Recreation and Aquatic Centre is a much-loved sporting hub for families, youngsters and sporting groups, with rates of attendance increasing impressively in 2020-21.



61,550

^ +6%

BRAC pool entries
(casual, swim lessons, aqua)



54,107

^ +18%

Casual
pool entries



7443

^ +14%

Group Fitness



6814

^ +20%

Swim lessons
attended



1,659

v -15%

Bookings for
Squash courts



1,589

v -2%

Basketball
Shoot arounds



577

^ +101%

Participants in
social badminton



1,604

^ +133%

School holiday
Program
participants



448

^ +48%

Participants In BRAC
Events (Dash and Splash,
BRAC 2 Beach, Beach 2 Bay)



\$18,660

Kidsport Funding
156 Recipients

^ +53%

Our People



New Sport Courts at BRAC

The new Philip Matsumoto Sports Courts were officially opened in October 2020 by WA Sports Minister Mick Murray.

The \$1.94 million project, funded by the State Government, has seen a new home for basketball and netball at the Broome Recreation and Aquatic Centre.

Council resolved to transfer the naming of the courts, the Philip Matsumoto Sports Courts, to the BRAC facility at a Special Council Meeting.

The courts are an asset for Broome and pay homage to Cr Matsumoto's commitment to local sport.

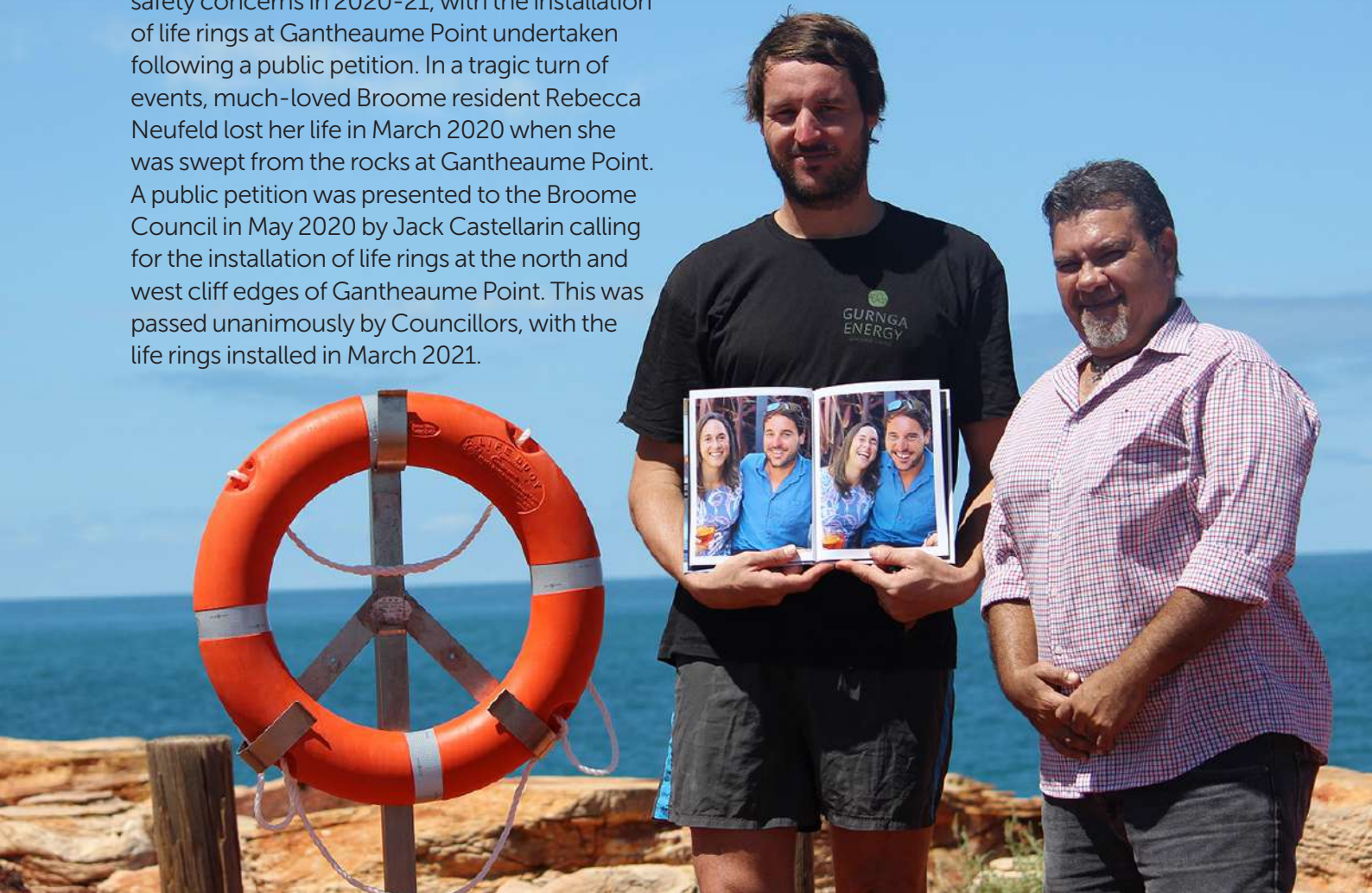
Broome Golf Club project completed

The new clubhouse and restaurant at Broome Golf Club were officially opened in March 2021 following the completion of construction work. The Shire of Broome partnered with the Golf Club and the Federal Government to co-fund the new facilities, which boast stunning 360-degree views. Member for Durack Melissa Price joined Shire deputy president Desiree Male in opening the facility.



Life rings installed at Gantheaume Point

The Shire of Broome, in collaboration with the Yawuru Park Council, heeded community safety concerns in 2020-21, with the installation of life rings at Gantheaume Point undertaken following a public petition. In a tragic turn of events, much-loved Broome resident Rebecca Neufeld lost her life in March 2020 when she was swept from the rocks at Gantheaume Point. A public petition was presented to the Broome Council in May 2020 by Jack Castellarin calling for the installation of life rings at the north and west cliff edges of Gantheaume Point. This was passed unanimously by Councillors, with the life rings installed in March 2021.



New Broome Bush Fire Station opened

Broome's emergency services personnel have a new state-of-the-art Bush Fire Centre to call home, with the much-needed facility officially opened in September 2020. The \$1.46 million centre was jointly funded by the Shire of Broome and Department of Fire and Emergency Services, and is based on Wattle Drive on the outskirts of town. Previously, the Broome Bush Fire Brigade was operating from two geographically separated buildings, with vehicles and equipment housed in different locations. The new facility allows Broome's specialist emergency services personnel and volunteers to keep the community safe from a dedicated hub.



Our People

Banned Drinkers Register rolled out

The Shire was delighted with the rollout of alcohol restrictions by the State Government, with measures introduced in 2020-21. While not being the core function of a local government, the Shire has advocated in recent years for the implementation of measures to tackle alcohol-related harm in our region. The State Government will manage the 24-month trial of a Banned Drinkers Register and Takeaway Alcohol Management System, with the Shire contributing \$55,000 towards the initiative.



Community Safety Forum held

Broome residents were joined by State politicians, key Government Department personnel and senior WA Police representatives at a Community Safety Forum at the Broome Civic Centre in December 2020. The meeting was organised to address concerns around public safety and was chaired by Shire president Harold Tracey, with a packed house nearing 300 people. The Shire Council also adopted a new Community Safety Plan 2021-2025 in March 2021, with officers busy delivering targeted actions to make Broome a safer place.





Discovery Festival a big hit

Broome celebrated an action-packed three days of fun, culture and togetherness as the Chinatown Discovery Festival drew in big crowds in May 2021. Large numbers of residents and visitors flooded into our town centre for the community celebration. The theme was 'Growing up in Chinatown' and there were plenty of activities that celebrated Broome's amazing history and heritage. The festival concluded with the ever-popular PEARLERS' Games on Dampier Terrace, with fun and frivolity keeping the sizeable crowd entertained. The Discovery Festival was one of many events hosted by the Shire in 2020-21, with the likes of Ladies Night, Youth Week, Community Picnics, Christmas Trails and Volunteer Week all celebrated.

Youth kicking goals in Broome

The Shire's Youth Advisory Council, or YAC, is an important part of our Youth Plan 2021-2025, which guides the Shire's involvement in youth services. Members are aged 14-24 and play a critical role in providing young people a voice at the Shire. The YAC organised the very fun Youth-Tastic Race in April 2021 at Town Beach.



Our People

Cable Beach Lifeguard Service

The Shire's commitment to public safety extends to our amazing beaches, with a lifeguard service provided annually at the world-famous Cable Beach. There were four surf rescues in 2020-21, with our lifesavers providing a critical service to the local community and visitors to Broome.



Housing Roundtables Initiated

The Shire hosted several housing roundtable meetings in the first half of 2021 in response to the shortage of rental properties on the market. While not part of the Shire's core function, by taking a leadership role it allowed representatives from key agencies to explore potential solutions. The Shire also worked quickly to introduce measures to help visitors to Broome, with changes to temporary accommodation policies introduced and the rollout of a overnight camping trial in the Cable Beach carpark.



Citizenship



2

Australian
Citizenship
Ceremonies



51

New Australian
Citizens



15

Countries of
Origin

Our Place

Cable Beach Protected for the Future

The Shire's Cable Beach Development Strategy has been worked on over many years, with the objective of protecting our world-class natural asset and reinvigorating the foreshore amenities.

While a Business Case for the Cable Beach Foreshore Redevelopment has been circulated to key funding partners, this project progressed in 2020-21 with the endorsement of new coastal protection measures.

Protection options and geotechnical investigations were undertaken to inform the development of six potential mitigation measures.

At the June 2021 Ordinary Meeting of Council, two options were endorsed – sand nourishment and the implementation of an exposed geotextile sand container revetment.

Sand nourishment is based on increasing the coastal dune buffer using sand and will require ongoing coastal monitoring and maintenance of erosion buffers to be effective.

The sand container revetment will help to protect the existing dune system by providing a more robust dune edge and is a method used frequently in other coastal areas of Australia.

It is important to note there will be minimal impact to the current dune system, while the other options that were not endorsed would have had a more significant environmental, aesthetic and cultural impact.

Also, by endorsing two appropriate protection options, Council has pledged to explore these measures in more detail and flexibility is provided on how the upgrades can be implemented.

The Council decision comes after the State Government announced a \$68,988 grant towards the project in early June 2021.



Town Beach Foreshore Redevelopment

The Town Beach Foreshore Redevelopment project has seen a major transformation of one of Broome's favourite precincts – creating a community hub for residents and visitors to enjoy.

While much of the project was completed in the 2019-20 Financial Year, the official opening was held in October 2020.

Tourism Minister Paul Papalia and Lotterywest Chief Executive Officer Susan Hunt were in attendance, with the community coming out in droves to celebrate the new Town Beach.

The final stages of the project include the development of the Town Beach Jetty, with work on the new 112-metre structure commencing in November 2020.

The \$6 million jetty has been funded by the Shire and State Government and is the final puzzle piece of the Town Beach Foreshore Redevelopment.





Our Place

Cape Leveque Road now sealed

Access to the Dampier Peninsula has been markedly improved over the last 12 months, with the official completion of the Cape Leveque Road sealing project celebrated in November 2020.

A \$65 million project, co-funded by the WA Government and Commonwealth, the road sealing will provide reliable and safe access to one of our region's most significant tourism destinations.

Shire president Harold Tracey, Councillor Phil Matsumoto and members of the Shire executive team joined politicians, dignitaries, community members and local Traditional Owners at a ribbon-cutting event to mark the occasion.

Guniyan Binba Conservation Park

A joint land management plan for the Guniyan Binba Conservation Park was launched in November 2020. Spanning 2,511 hectares within the existing Yawuru conservation estate, Guniyan Binba Conservation Park is an intertidal reserve located from north of Broome to Willie Creek. The land is jointly managed by Nyamba Buru Yawuru, the Shire of Broome and the Department of Biodiversity, Conservation and Attractions' Parks and Wildlife Service.



Streeter's Jetty refurbishment

Broome's iconic Streeter's Jetty is set for a restoration next year, with structural investigations and planning works taking place in 2020-21 to make the project a reality. First constructed in 1886, this will be the fifth time that the jetty has been demolished and rebuilt, with the last full reconstruction taking place in 2000.



Broome Boating Facility

The development of a new boating facility in Broome has long been considered essential to address critical safety and access issues, with the Shire of Broome collaborating with the Department of Transport to complete this project at Entrance Point. After public consultation in 2019-20, feedback from the community led to an updated concept design being released in September 2020. Premier Mark McGowan visited Broome in December 2020 and pledged \$35 million towards the facility, with the Shire advocating throughout the rest of 2020-21 for the remaining funds to complete the project.



Infrastructure



Drainage
Open drain/swale
37.07km

Pipe drainage
16.87km

Culverts
5.20km



Footpath
Total length
115.9km

New concrete
footpath installed
9,169m²



Roads
Total
570.7km

Sealed
286.2km

Unsealed
284.5km

Asphalt overlay
for 2020/21
3,374m²

Bitumen reseal
for 2020/21
14,095m²



Public Open Space
Grassed Areas
311,969.1m²

Garden Beds
98,715m²

Sprinklers
3,405

Retic lateral lines
44.8km

Retic main lines
13.33m²

Water tanks
24

Drink fountains
45

Rubbish bins
226



Lighting
Total
558

Sporting Lights
(Haynes, Male, BRAC)
231

Public Open Space
Total Solar
108 44

Car Park
101

Street Lights
(Shire maintained)
118

Our Place

Ranger Services

The Shire of Broome Ranger team focuses on community safety by encouraging and ensuring compliance with relevant state and local laws, and providing support for the Emergency Services Team. They take an education-first approach where appropriate and follow up with regulatory actions as required.

In 2020-21, Rangers issued 589 notices (360 Infringements, 229 warnings) – up from the 474 notices that were issued in 2019-20.

In a new venture, Shire Rangers partnered with officers from the WA Police Force to stamp out anti-social behaviour in Broome's town centre. The Shire of Broome Council pledged to install a \$70,000 fence around the Broome Visitor Centre in October 2020, in response to ongoing reports of vandalism, anti-social behaviour and abuse of Visitor Centre staff.



Following this, WA Police and Shire Rangers have been visible in areas where anti-social behaviour is occurring, taking advantage of the complementary powers of each agency.

Planning Approvals

While a shortage of rental properties in Broome was a major concern for the Shire in 2020-21, a significant increase in the number of building permits issued is a cause for encouragement.

As can be seen in the table below, the number of single dwelling building permits issued in 2020-21 jumped to 76 – up from just 14 in 2019-20.

Building Permits Issued	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Single Dwellings	91	78	23	31	20	14	76
Group Dwellings	0	0	0	0	0	1	0
Additions	24	14	13	16	3	80	23
Outbuildings	99	126	93	74	72	99	111
Commercial	17	24	19	17	26	24	8
Industrial	2	3	0	2	1	1	2
Pools	86	89	73	48	32	57	76
Tourist	0	1	0	1	0	1	1
Fences	49	25	32	33	31	20	22
Public Nature	5	4	2	3	2	11	7
Demolition	16	5	5	6	6	9	9
TOTAL	389	369	265	231	193	317	335
TOTAL VALUE	\$59.7M	\$60.5M	\$25.1M	\$28.3M	\$17.1M	\$41.9M	\$55.3M

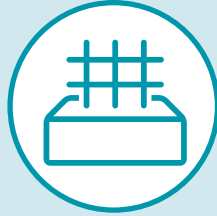
Waste and Recycling

Recycling



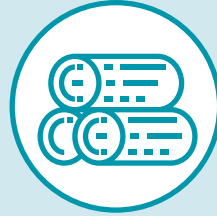
1,650

Tonnes of steel



6,082

Tonnes of concrete



6,390

Tonnes of greenwaste and timber



104

Tonnes of glass



51

Tonnes of mixed recyclables like plastics and cardboard



25

Tonnes of tyres



25

Tonnes of e-waste



30

Tonnes of batteries

Kerbside Recycling Collection



1,537

Tonnes



136,762

Collections

Total Recycling



18,876

Tonnes

Landfill

Kerbside Waste Collection



4,668

Tonnes



323,292

Collections

Total Landfill



37,252

Tonnes

Our Prosperity

Economic Development Strategy

After taking public submissions into consideration, a final Economic Development Strategy 2021-2026 (EDS) was endorsed by Councillors at the May 2021 Ordinary Meeting of Council. The purpose of the EDS is to identify existing strengths to be maximised and potential opportunities to be pursued, while mapping out a future path to affluence and prosperity. There is no doubt that tourism plays a key role in the local economy and will continue to be the lifeblood of our town. However, as detailed in the EDS, the diverse industries that are growing, new ventures

being established and projects coming online breeds confidence that the vision of our town blossoming into a key regional centre is achievable in the not-too-distant future.

EDS at a Glance

Broome Population	16,907
Aboriginal population	28.2%
Registered Businesses	1265
Unemployment Rate	9.7%
Gross Regional Product	\$1.54 billion





Our Performance

Compliance

Register of Complaints

During the period 1 July 2020 to 30 June 2021 no breach or complaint was registered under Part 5, Division 9 of the Local Government Act 1995.

Freedom of Information

The Shire of Broome is subject to the provisions of the Freedom of Information (FOI) Act 1992.

The Shire processed 9 Freedom of Information requests in 2020-2021.

The Shire has reviewed its Information Statement document as required under the Act. For further information on the Freedom of Information process, visit <https://www.broome.wa.gov.au/About-Council/Governance/Freedom-of-Information>.

Risk Management

Risk Management Strategy and Procedures

The Shire has developed Risk Management Strategies and Procedures to align with best practice, Australian standards AS/NZS ISO 31000:2018, and provide clear definitions

of risk assessment criteria, measures of likelihood, risk acceptance criteria and control ratings. The Shire's risk management practices are intended to formally assess and document the commitment and objectives regarding managing uncertainty that may impact the Shire's strategies, goals or objectives as outlined in the Strategic Community Plan and Corporate Business Plan of Council.

The Shire adopted a substantially updated Risk Management Policy during the year and is continuing to develop its Risk Management Framework. The implementation of a Cloud Based risk management system was delayed due to Covid 19 and is now scheduled to occur during 2021/22. This will allow a greater focus to be placed on control assurance in the future.

The Shire continues to work closely with Local Government Insurance Service (LGIS) on risk related improvement initiatives and providing re-insurers confidence in the Shire's processes and procedures. During the year the Shire was able to provide strong assurance of the Shire's best practice controls in the area of social engineering fraud, an area that LGIS had indicated was of increasing concern to LGIS.

Disability Access and Inclusion Plan (DAIP)

The Disability Services Act 1993 requires all local governments and selected State Government agencies to develop a Disability Access and Inclusion Plan (DAIP).

The Shire's current DAIP extends to the end of 2023 and was endorsed by the Department of Communities – Disability in 2018.

The Shire's DAIP is reviewed annually by Shire officers and a progress report is provided to the Disability Services Commission.

The Annual DAIP report was submitted in July 2021 and outlined a number of initiatives which demonstrate that the Shire is meeting its obligations in implementing the plan.

The initiatives delivered in 2020/21 have enhanced access and inclusion in the community and include:

- Participation in the Building Inclusive Communities Project, an initiative that supports LGAs to increase access and inclusion in the community through capacity building, mentoring and practical supports.
- Delivery of an International Day of People with Disability event, an event that shared the stories and achievements of those with disabilities during the COVID-19 pandemic.
- Upgrades to the Haynes Oval Pavillion.
- Upgrades to the Broome Historical Society amenities.
- Continued use of strategies to ensure people with disabilities can participate in public consultation, undertaken as part of the development of the Community Development Framework and Informing Strategies (2021 - 2025).

Information Technology

The Shire is continually reviewing and implementing the use of new technology to make the organisation more streamlined and efficient, while improving how the community and stakeholders can engage with us.

Highlights in this space over 2020-21 include:

- Radio Frequency Identification, or RFID technology, was implemented at the Broome Library to replace the existing barcode

system. This allows multiple processing of items and makes all circulation and item management processes more efficient by speeding them up.

- The Shire unveiled a new intranet system in 2020-21 to ensure internal staff have a one-stop shop to access internal systems and hear the latest news about the organisation.
- SpaceToCo replaced the Shire's previous reserve, park and venue booking system, providing an online resource where available spaces can be located, researched and booked. The new system is a significant improvement on the previous method for venue bookings and has introduced efficiencies for staff while providing a vastly improved customer service experience. Development continues with plans to add other Shire facilities into the SpaceToCo portal.
- The Altus Infringements app was introduced, allowing Rangers to issue infringements in the field with the ability to record and save evidence and print notices on the spot. Additionally, the instant synchronisation with Shire systems means that payment can be processed almost immediately after an infringement is issued. While Rangers have focused on education in the first instance, the new system has created significant efficiencies for the team when infringements have been required.
- Altus Bank Reconciliation was also introduced and delivers automation of repetitive tasks to ensure bank reconciliations are performed quickly and accurately. While relatively minor, the enhancement has improved internal reconciliation processes and again saved significant time on what is a frequently required operational activity.
- PowerBI software has been introduced to improve reporting capabilities and deliver enhanced insight into Shire activities. The tool will allow the Shire to make more informed decisions by quickly querying information held in the Shire's business systems and presenting that information in an easy-to-understand format.

Our Performance

Employee Salary

In accordance with the Local Government (Administration) Regulations 19B (2)(b), the Shire of Broome is required to disclose in bands of \$10,000 the number of employees entitled to an annual salary package of \$130,000 or more.

Salary Range	2020/2021
130,000 – 139,999	3
140,000 – 149,999	6
150,000 – 159,999	0
160,000 – 169,999	1
170,000 – 179,999	0
180,000 – 189,999	0
190,000 – 199,999	0
200,000 – 209,999	2
Grand Total	12

Chief Executive Officer Remuneration

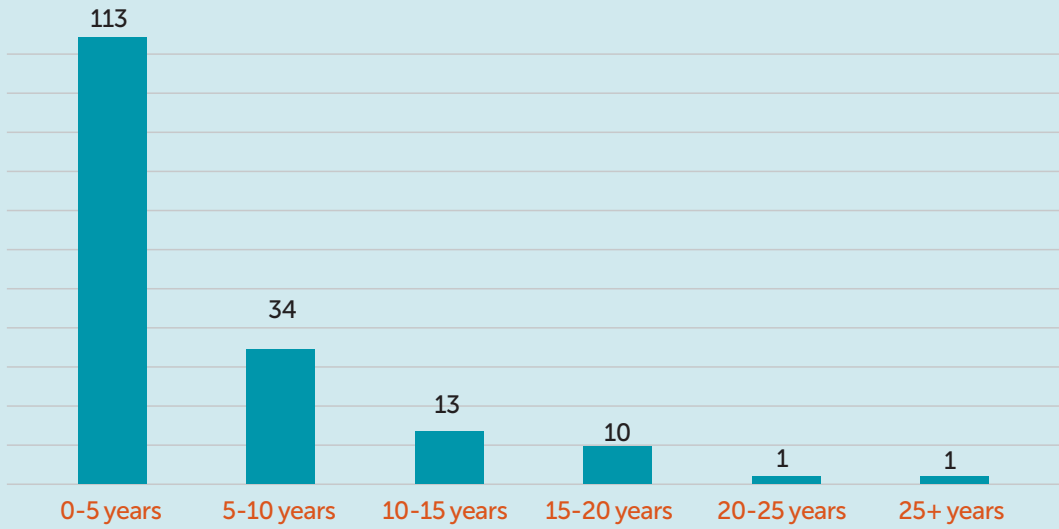
In accordance with the Local Government (Administration) Regulations 1996, Regulation 19B (2)(e) the remuneration provided to the CEO during the financial year was \$271,136.

Employees

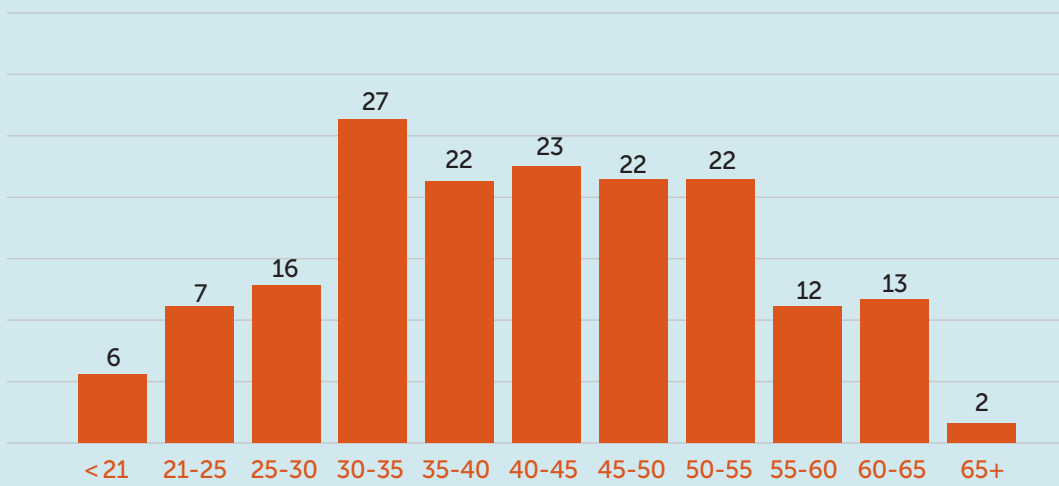
Gender	Casual	Full Time	Part Time	Grand Total
Female	24	44	9	77
Male	3	90	2	95
Grand Total	27	134	11	172

Directorate	Casual	Full Time	Part Time	Grand Total
CEO	-	7	-	7
Development	25	38	8	71
Corporate	0	22	2	24
Infrastructure	2	67	1	70
Grand Total	27	134	11	172

Employee Years of Service



Employee Age





2020/21 Financial Statements

Contents

2019/20 FINANCIAL STATEMENTS	42
Statement by the Chief Executive Officer	43
Statement of Comprehensive Income by Nature or Type	45
Statement of Comprehensive Income by Program	46
Statement of Financial Position	47
Statement of Changes in Equity	48
Statement of Cash Flows	49
Rate Setting Statement	50
Notes to and Forming Part of the Financial Report	51
Independent Audit Report	97

Statement by the Chief Executive Officer

**SHIRE OF BROOME
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the SHIRE OF BROOME for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the SHIRE OF BROOME at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 1 day of DECEMBER 2021



Chief Executive Officer

Sam Mastrolemba

Name of Chief Executive Officer



Statement of Comprehensive Income by Nature or Type

For the year ended 30 June 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	24(a)	23,282,829	23,163,321	23,107,761
Operating grants, subsidies and contributions	2(a)	3,920,623	1,987,815	7,223,668
Fees and charges	2(a)	9,711,973	11,746,269	9,014,173
Interest earnings	2(a)	408,171	1,402,174	642,679
Other revenue	2(a)	1,009,207	1,100,128	849,676
		38,332,803	39,399,707	40,837,957
Expenses				
Employee costs		(15,789,253)	(17,057,681)	(15,652,244)
Materials and contracts		(8,687,789)	(10,941,159)	(7,900,947)
Utility charges		(2,100,053)	(1,951,368)	(1,980,087)
Depreciation on non-current assets	11(b)	(12,525,339)	(11,653,092)	(11,145,143)
Interest expenses	2(b)	(138,797)	(165,706)	(96,816)
Insurance expenses		(767,166)	(681,829)	(671,595)
Other expenditure	2(b)	(1,577,698)	(3,054,638)	(1,699,729)
		(41,586,095)	(45,505,473)	(39,146,561)
		(3,253,292)	(6,105,766)	1,691,396
Non-operating grants, subsidies and contributions	2(a)	26,883,370	30,737,197	8,778,233
Profit on asset disposals	11(a)	11,822	89,309	38,051
(Loss) on asset disposals	11(a)	(436,769)	(432,857)	(112,475)
		26,458,423	30,393,649	8,703,809
Net result for the period		23,205,131	24,287,883	10,395,205
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	601,628	0	0
Total other comprehensive income for the period		601,628	0	0
Total comprehensive income for the period		23,806,759	24,287,883	10,395,205

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



Statement of Comprehensive Income by Program

For the year ended 30 June 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
	2(a)			
Governance		310,586	264,694	254,038
General purpose funding		25,336,415	24,521,869	25,796,689
Law, order, public safety		148,313	115,033	80,136
Health		183,957	187,984	160,019
Education and welfare		8,716	20,000	1,739
Housing		701,892	1,926,356	663,287
Community amenities		5,522,947	6,869,559	5,575,647
Recreation and culture		1,305,492	1,371,081	1,232,216
Transport		1,495,203	742,132	4,242,253
Economic services		1,423,589	869,000	779,025
Other property and services		1,895,693	2,511,999	2,052,908
		<u>38,332,803</u>	<u>39,399,707</u>	<u>40,837,957</u>
Expenses				
	2(b)			
Governance		(2,583,924)	(2,642,893)	(2,214,058)
General purpose funding		(503,141)	(466,775)	(236,552)
Law, order, public safety		(1,156,449)	(1,181,828)	(1,122,478)
Health		(721,968)	(616,829)	(695,647)
Education and welfare		(495,116)	(533,490)	(367,293)
Housing		(763,371)	(1,965,704)	(731,915)
Community amenities		(9,742,632)	(10,318,454)	(8,234,489)
Recreation and culture		(12,470,172)	(12,385,341)	(11,450,126)
Transport		(9,250,596)	(10,263,075)	(9,983,007)
Economic services		(1,924,955)	(2,603,695)	(2,390,628)
Other property and services		(1,834,974)	(2,361,683)	(1,623,552)
		<u>(41,447,298)</u>	<u>(45,339,767)</u>	<u>(39,049,745)</u>
Finance Costs				
	2(b)			
Law, order, public safety		0	(7,340)	0
Community amenities		(48,022)	0	0
Recreation and culture		(62,145)	(94,156)	(65,508)
Economic services		(28,630)	(64,210)	(31,308)
		<u>(138,797)</u>	<u>(165,706)</u>	<u>(96,816)</u>
		<u>(3,253,292)</u>	<u>(6,105,766)</u>	<u>1,691,396</u>
Non-operating grants, subsidies and contributions	2(a)	26,883,370	30,737,197	8,778,233
Profit on disposal of assets	11(a)	11,822	89,309	38,051
(Loss) on disposal of assets	11(a)	(436,769)	(432,857)	(112,475)
		<u>26,458,423</u>	<u>30,393,649</u>	<u>8,703,809</u>
Net result for the period		23,205,131	24,287,883	10,395,205
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	601,628	0	0
Total other comprehensive income for the period		601,628	0	0
Total comprehensive income for the period		23,806,759	24,287,883	10,395,205

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

Statement of Financial Position

As at 30 June 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	44,065,529	43,577,663
Trade and other receivables	6	3,101,366	6,155,732
Inventories	7	65,150	44,406
Contract assets	2(a)	14,386	0
Other assets	8	215,867	104,803
TOTAL CURRENT ASSETS		47,462,298	49,882,604
NON-CURRENT ASSETS			
Trade and other receivables	6	34,652	37,536
Other financial assets	5(a)	1,342,259	89,026
Property, plant and equipment	9	77,802,109	73,033,075
Infrastructure	10	326,972,446	310,126,038
TOTAL NON-CURRENT ASSETS		406,151,466	383,285,675
TOTAL ASSETS		453,613,764	433,168,279
CURRENT LIABILITIES			
Trade and other payables	14	7,341,078	6,343,271
Other liabilities	15	5,176,832	9,875,827
Borrowings	16(a)	859,957	854,092
Employee related provisions	17	2,244,467	2,379,880
Other provisions	18	700,158	0
TOTAL CURRENT LIABILITIES		16,322,492	19,453,070
NON-CURRENT LIABILITIES			
Borrowings	16(a)	5,430,907	3,255,864
Employee related provisions	17	193,039	280,545
Other provisions	18	2,483,767	4,802,000
TOTAL NON-CURRENT LIABILITIES		8,107,713	8,338,409
TOTAL LIABILITIES		24,430,205	27,791,479
NET ASSETS		429,183,559	405,376,800
EQUITY			
Retained surplus		162,665,877	138,434,050
Reserves - cash backed	4	30,846,263	31,872,959
Revaluation surplus	13	235,671,419	235,069,791
TOTAL EQUITY		429,183,559	405,376,800

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



Statement of Change in Equity

For the year ended 30 June 2021

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		127,524,101	35,273,696	251,146,323	413,944,120
Change in accounting policy/amendment to FMR		(2,885,993)	0	(16,076,532)	(18,962,525)
Restated balance at the beginning of the financial year		124,638,108	35,273,696	235,069,791	394,981,595
Comprehensive income					
Net result for the period		10,395,205	0	0	10,395,205
Total comprehensive income		10,395,205	0	0	10,395,205
Transfers from reserves	4	7,695,344	(7,695,344)	0	0
Transfers to reserves	4	(4,294,607)	4,294,607	0	0
Balance as at 30 June 2020		138,434,050	31,872,959	235,069,791	405,376,800
Restated balance at 1 July 2020		138,434,050	31,872,959	235,069,791	405,376,800
Comprehensive income					
Net result for the period		23,205,131	0	0	23,205,131
Changes to the rehabilitation estimates					
Other comprehensive income/Changes to the rehabilitation estimates	13	0	0	601,628	601,628
Total comprehensive income		23,205,131	0	601,628	23,806,759
Transfers from reserves	4	4,206,992	(4,206,992)	0	0
Transfers to reserves	4	(3,180,296)	3,180,296	0	0
Balance as at 30 June 2021		162,665,877	30,846,263	235,671,419	429,183,559

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

Statement of Cash Flows

For the year ended 30 June 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		23,355,813	23,163,321	22,997,951
Operating grants, subsidies and contributions		7,365,254	1,987,815	603,644
Fees and charges		9,771,141	11,746,269	9,014,173
Interest received		298,812	1,402,174	642,679
Goods and services tax received		0	0	490,250
Other revenue		1,005,974	1,100,128	849,676
		41,796,994	39,399,707	34,598,373
Payments				
Employee costs		(15,955,750)	(17,057,681)	(15,184,518)
Materials and contracts		(7,686,318)	(10,941,159)	(9,094,583)
Utility charges		(2,100,053)	(1,951,368)	(1,980,087)
Interest expenses		(88,320)	(165,706)	(43,367)
Insurance paid		(767,166)	(681,829)	(671,595)
Goods and services tax paid		(728,268)	0	0
Other expenditure		(1,577,698)	(3,054,638)	(1,701,170)
		(28,903,573)	(33,852,381)	(28,675,320)
Net cash provided by (used in) operating activities	19	12,893,421	5,547,326	5,923,053
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for remediation related expenses	18	(121,117)	0	0
Payments for purchase of property, plant & equipment	9(a)	(9,496,602)	(11,646,077)	(6,398,738)
Payments for construction of infrastructure	10(a)	(26,122,834)	(28,827,264)	(17,971,830)
Non-operating grants, subsidies and contributions	2(a)	22,184,375	30,737,197	18,654,060
Proceeds from sale of property, plant & equipment	11(a)	219,715	328,500	491,163
Net cash provided by (used in) investment activities		(13,336,463)	(9,407,644)	(5,225,345)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(854,092)	(875,554)	(739,456)
Advances to community groups	16(b)	(1,250,000)	(1,250,000)	
Proceeds from new borrowings	16(b)	3,035,000	3,335,000	1,450,000
Net cash provided by (used in) financing activities		930,908	1,209,446	710,544
Net increase (decrease) in cash held		487,866	(2,650,872)	1,408,252
Cash at beginning of year		43,577,663	39,404,161	42,169,411
Cash and cash equivalents at the end of the year	19	44,065,529	36,753,289	43,577,663

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

Rates Setting Statement

For the year ended 30 June 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	25 (b)	4,188,392	2,226,546	2,144,226
		4,188,392	2,226,546	2,144,226
Revenue from operating activities (excluding rates)				
Governance		310,586	264,694	254,038
General purpose funding		2,053,586	1,358,548	2,688,928
Law, order, public safety		148,313	115,033	80,136
Health		183,957	187,984	160,019
Education and welfare		8,716	20,000	1,739
Housing		701,892	1,926,356	663,287
Community amenities		5,522,947	6,871,348	5,579,168
Recreation and culture		1,305,492	1,371,081	1,232,734
Transport		1,495,203	742,132	4,242,253
Economic services		1,423,589	869,000	779,025
Other property and services		1,907,515	2,599,519	2,086,920
		15,061,796	16,325,695	17,768,247
Expenditure from operating activities				
Governance		(2,583,924)	(2,642,893)	(2,227,148)
General purpose funding		(503,141)	(466,775)	(236,552)
Law, order, public safety		(1,156,449)	(1,189,168)	(1,122,478)
Health		(721,968)	(616,829)	(695,647)
Education and welfare		(495,116)	(533,490)	(367,293)
Housing		(763,371)	(1,965,704)	(731,915)
Community amenities		(9,790,654)	(10,362,862)	(8,236,485)
Recreation and culture		(12,532,317)	(12,479,497)	(11,515,634)
Transport		(9,250,596)	(10,263,075)	(9,983,007)
Economic services		(1,953,585)	(2,667,905)	(2,421,936)
Other property and services		(2,271,743)	(2,750,132)	(1,720,941)
		(42,022,864)	(45,938,330)	(39,259,036)
Non-cash amounts excluded from operating activities	25(a)	11,009,157	11,996,640	11,417,085
Amount attributable to operating activities		(11,763,519)	(15,389,449)	(7,929,477)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	26,883,370	30,737,197	8,778,233
Proceeds from disposal of assets	11(a)	219,715	328,500	491,163
Payments for remediation related expenses	18	(121,117)	0	0
Purchase of property, plant and equipment	9(a)	(9,496,602)	(11,646,077)	(6,398,738)
Purchase and construction of infrastructure	10(a)	(26,122,834)	(28,827,264)	(17,971,831)
		(8,637,468)	(9,407,644)	(15,101,173)
Amount attributable to investing activities		(8,637,468)	(9,407,644)	(15,101,173)
FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(854,092)	(875,554)	(739,456)
Proceeds from borrowings	16(b)	3,035,000	3,335,000	1,450,000
Advances to community groups	16(b)	(1,250,000)	(1,250,000)	0
Transfers to reserves (restricted assets)	4	(3,180,296)	(2,289,684)	(4,294,607)
Transfers from reserves (restricted assets)	4	4,206,992	2,714,010	7,695,344
Amount attributable to financing activities		1,957,604	1,633,772	4,111,281
Surplus/(deficit) before imposition of general rates		(18,443,383)	(23,163,321)	(18,919,369)
Total amount raised from general rates	24(a)	23,282,829	23,163,321	23,107,761
Surplus/(deficit) after imposition of general rates	25(b)	4,839,446	0	4,188,392

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 2021

1. BASIS OF PREPARATION

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

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the at fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the financial report.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

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

CRITICAL ACCOUNTING ESTIMATES

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

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

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	249,927	242,500	202,684
General purpose funding	1,912,440	922,048	2,316,198
Health	6,671	3,000	5,589
Education and welfare	8,716	20,000	1,739
Community amenities	19,878	22,000	36,045
Recreation and culture	91,346	61,960	320,759
Transport	1,460,677	649,807	4,198,274
Economic services	60,244	0	3,615
Other property and services	110,724	66,500	138,765
	3,920,623	1,987,815	7,223,668
Non-operating grants, subsidies and contributions			
Law, order, public safety	0	553,594	1,276,580
Community amenities	(124,069)	0	66,461
Recreation and culture	10,440,864	15,948,997	4,995,100
Transport	4,169,137	2,588,606	2,229,897
Economic services	12,397,438	11,646,000	210,195
	26,883,370	30,737,197	8,778,233
Total grants, subsidies and contributions	30,803,993	32,725,012	16,001,901
Fees and charges			
General purpose funding	48,553	96,500	93,765
Law, order, public safety	120,193	91,435	66,332
Health	177,286	184,984	154,430
Housing	700,436	1,926,356	660,493
Community amenities	5,119,044	6,460,685	5,261,487
Recreation and culture	1,181,588	1,221,209	851,641
Transport	13,501	15,000	4,769
Economic services	1,278,599	670,000	738,780
Other property and services	1,072,773	1,080,099	1,182,477
	9,711,973	11,746,269	9,014,173

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

Revenue from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, rent, ticket sales, sale of goods or information, fines, penalties and administration fees.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	3,920,623	1,987,815	7,223,668
Fees and charges	9,098,994	11,248,209	8,516,546
Other revenue	184,953	100,000	126,704
Non-operating grants, subsidies and contributions	26,883,370	30,737,197	8,778,233
	40,087,940	44,073,221	24,645,150
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:			
Revenue from contracts with customers included as a contract liability or capital grants at the start of the period	9,875,827	2,428,524	0
Revenue from contracts with customers recognised during the year	3,328,743	10,907,500	15,866,917
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	26,883,370	30,737,197	8,778,233
	40,087,940	44,073,221	24,645,150
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Contract assets	14,386	0	0
Contract liabilities and capital grants from contracts with customers	(5,176,832)	(2,883,692)	(9,875,827)

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at 30 June 2021.

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'.

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

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

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	23,282,829	23,163,321	23,107,761
Statutory permits and licences	533,730	459,345	476,527
Fines	79,249	38,715	21,101
	<u>23,895,808</u>	<u>23,661,381</u>	<u>23,605,388</u>
Assets and services acquired below fair value			
Contributed assets	2,322,544	0	273,265
	<u>2,322,544</u>	<u>0</u>	<u>273,265</u>
Other revenue			
Reimbursements and recoveries	824,254	1,000,128	722,972
Other	184,953	100,000	126,704
	<u>1,009,207</u>	<u>1,100,128</u>	<u>849,676</u>
Interest earnings			
Financial assets at amortised cost - self supporting loans	200	20,550	0
Interest on reserve funds	263,296	481,112	281,433
Rates instalment and penalty interest (refer Note 24(c))	75,728	310,000	259,375
Other interest earnings	68,947	590,512	101,871
	<u>408,171</u>	<u>1,402,174</u>	<u>642,679</u>

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration				
Audit of the Annual Financial Report		59,090	60,000	52,925
Other services		5,465	8,000	12,679
		64,555	68,000	65,604
Interest expenses (finance costs)				
Borrowings	16(b)	90,774	165,706	96,816
Finance cost on remediation provision		48,023	0	0
		138,797	165,706	96,816
Other expenditure				
Impairment loss on trade and other receivables		145,665	0	83,818
Sundry expenses		1,432,033	3,054,638	1,615,911
		1,577,698	3,054,638	1,699,729

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	BRAC kiosk	Single point in time	In full in advance, on 30 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

3. CASH AND CASH EQUIVALENTS

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		44,065,529	43,577,663
Total cash and cash equivalents		44,065,529	43,577,663
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents		34,866,524	40,024,863
		34,866,524	40,024,863
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	30,846,263	31,872,959
Contract & capital grant liabilities from contracts with customers	15	3,386,304	7,534,020
Bonds and deposits held	14	633,957	617,884
Total restricted assets		34,866,524	40,024,863

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

4. RESERVES - CASH BACKED

	2021 Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
(a) Reserves cash backed - Leave Reserve	1,076,266	120,794	0	1,197,060	1,106,777	17,708	0	1,124,485	1,051,077	25,189	0	1,076,266
(b) Reserves cash backed - Restricted Cash	0	65,000	0	65,000	0	9,955	0	9,955	712,180	0	(712,180)	0
(c) Reserves cash backed - Community Sponsorship	97,271	469	(16,286)	81,454	267,180	1,011	(141,988)	126,203	61,744	159,259	(123,733)	97,271
(d) Reserves cash backed - EDL Sponsorship	134,882	650	(73,508)	62,024	148,230	932	(90,000)	59,162	145,189	136,076	(146,382)	134,882
(e) Reserves cash backed - Road Reserve	1,824,122	529,163	(836,000)	1,517,285	2,199,841	540,219	0	2,740,060	2,061,646	602,787	(840,311)	1,824,122
(f) Reserves cash backed - Public Art Reserve	6,182	29	6,211	12,422	5,020	80	0	5,100	167,573	1,377	(162,768)	6,182
(g) Reserves cash backed - Carpark Reserve	295,639	52,585	0	348,224	1,524	70,406	(71,930)	56,023	533,886	28,753	(267,000)	295,639
(h) Reserves cash backed - Footpath Reserve	2,349,298	51,088	(117,077)	2,283,309	1,524	70,406	0	56,023	2,179,884	584,866	(415,463)	2,349,298
(i) Reserves cash backed - BRAC (Leisure Centre) Reserve	58,224	280	0	58,504	58,384	902	0	57,296	98,488	810	(41,074)	58,224
(j) Reserves cash backed - Public Open Space	1,976,821	1,042,671	(1,212,847)	1,806,645	2,065,861	532,294	(454,780)	2,143,375	3,385,685	1,497,993	(2,906,857)	1,976,821
(k) Reserves cash backed - Drainage reserve	1,235,496	302,804	0	1,538,300	1,015,529	164,853	0	1,180,382	1,693,986	13,743	(472,232)	1,235,496
(l) Reserves cash backed - Plant	1,886,301	9,090	0	1,895,391	1,830,423	29,287	(200,000)	1,659,710	2,026,247	103,054	(243,000)	1,886,301
(m) Reserves cash backed - Buildings	2,361,421	788,101	(198,561)	2,920,961	2,367,103	485,062	(448,467)	2,403,698	2,647,090	499,277	(784,946)	2,361,421
(n) Reserves cash backed - Refuse Site Reserve	3,253,067	15,677	(603,750)	2,664,994	3,605,232	50,670	(1,250,000)	2,405,902	3,259,029	297,548	(303,510)	3,253,067
(o) Reserves cash backed - Regional Resource Recovery Park Reserve	14,121,030	68,052	(897,412)	13,291,670	13,685,429	218,967	0	13,904,396	14,243,536	152,608	(275,114)	14,121,030
(p) Reserves cash backed - IT & Equipment	710,263	99,498	(85,110)	714,651	692,586	104,564	(30,000)	787,150	518,997	191,266	0	710,263
(q) Reserves cash backed - Kimberley Zone	486,676	64,346	(156,442)	394,580	495,304	6,751	(26,845)	475,210	487,459	0	(783)	486,676
	31,872,959	3,180,296	(4,206,992)	30,846,263	29,542,433	2,289,884	(2,714,010)	29,118,107	35,273,696	4,294,607	(7,695,344)	31,872,959

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Reserves cash backed - Restricted Cash	Ongoing	To be used for unspent grant, contribution and loan funds.
(c) Reserves cash backed - Community Sponsorship	Ongoing	To hold funds remaining as at 30 June after allocation of both Annual and Ad-Hoc sponsorships and external donations to be spent on both annual and ad-hoc sponsorships in accordance with the Community Sponsorship Program Policy.
(d) Reserves cash backed - EDL Sponsorship	Ongoing	To hold funds to be spent on community projects as approved by Energy Development Limited.
(e) Reserves cash backed - Road Reserve	Ongoing	To be used for renewal, upgrade or new streets and roads.
(f) Reserves cash backed - Public Art Reserve	Ongoing	To hold funds set aside annually to fund public art projects and initiatives within the Shire.
(g) Reserves cash backed - Carpark Reserve	Ongoing	To be used for renewal, upgrade or new carparks. Typically funds are from "Cash in Lieu" payments from developers.
(h) Reserves cash backed - Footpath Reserve	Ongoing	To be used for renewal, upgrade or new footpaths. Typically, funds are from contributions made by developers.
(i) Reserves cash backed - BRAC (Leisure Centre) Reserve	Ongoing	To be used for the construction of recreation infrastructure and facilities.
(j) Reserves cash backed - Public Open Space	Ongoing	To be used for renewal, upgrade, replacement or new public open space facilities and garden areas associated with buildings and other freely accessible public recreational facilities. Any contributions from developers are held in Trust.
(k) Reserves cash backed - Drainage reserve	Ongoing	To be used for the renewal, upgrade or construction of drainage services. Typically funds are from contributions made by developers.
(l) Reserves cash backed - Plant	Ongoing	To be used for the renewal, upgrade or purchase of new mobile plant and engineering equipment.
(m) Reserves cash backed - Buildings	Ongoing	To be used for renewal, upgrade, replacement or new building construction and associated infrastructure.
(n) Reserves cash backed - Refuse Site Reserve	Ongoing	To be used for the current and future costs of maintaining and closing the refuse site in accordance with operational needs and environmental guidelines.
(o) Reserves cash backed - Regional Resource Recovery Park Reserve	Ongoing	To hold funds set aside annually and any year end operational profit generated from refuse site business unit to fund:
(p) Reserves cash backed - IT & Equipment	Ongoing	i) The future construction of a new facility
(q) Reserves cash backed - Kimberley Zone	Ongoing	ii) The future subsequent and ongoing costs of maintaining the site in accordance with operational requirements and environmental guidelines, or iii) the costs of future rehabilitation of the site.
	Ongoing	To be used for renewal, upgrade or new office equipment, IT hardware and software.
	Ongoing	To hold funds set aside annually to fund future projects and initiatives for the Kimberley Zone of WVALGA and/or Regional Collaborative Groups.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

5. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at amortised cost
 Financial assets at fair value through profit and loss

	2021	2020
	\$	\$
Financial assets at amortised cost	1,250,000	0
Financial assets at fair value through profit and loss	92,259	89,026
	1,342,259	89,026
Financial assets at amortised cost		
Self supporting loans	1,250,000	0
	1,250,000	0
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	92,259	89,026
	92,259	89,026

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 16(b) as self supporting loans.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 26.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
Accrued Revenue	
Allowance for impairment - rates	
Allowance for impairment - sundry debtors	
ATO Receivable	

Non-current

Pensioner's rates and ESL deferred	
------------------------------------	--

	2021	2020
	\$	\$
	1,008,322	1,021,510
	2,089,103	4,939,275
	(24,863)	497,485
	(241,258)	(167,704)
	(206,945)	(134,834)
	477,007	0
	<u>3,101,366</u>	<u>6,155,732</u>
	34,652	37,536
	<u>34,652</u>	<u>37,536</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 26.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

7. INVENTORIES

Current

Fuel and materials
BRAC Stock

	2021	2020
	\$	\$
Fuel and materials	57,723	41,188
BRAC Stock	7,427	3,218
	65,150	44,406
Balance at beginning of year	44,406	49,463
Additions to inventory	20,744	(5,057)
Balance at end of year	65,150	44,406

The following movements in inventories occurred during the year:

Balance at beginning of year

Additions to inventory

Balance at end of year

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

8. OTHER ASSETS

Other assets - current

Prepayments
Bonds and deposits held by others

	2021	2020
	\$	\$
Prepayments	214,067	95,748
Bonds and deposits held by others	1,800	9,055
	215,867	104,803

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land/vested in and under the control of Council	Buildings - non- specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Work in Progress - Buildings	Work in Progress - Furniture & Equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	19,096,724	58,191,204	77,287,928	1,254,054	7,956,503	546,918	0	87,045,403
Additions		952,913	952,913	658,240	1,887,800	2,899,785		6,398,738
(Disposals)	0	0	0	0	(565,587)	0	0	(565,587)
Revaluation increments / (decrements) transferred to revaluation surplus/Impact of amendment to FMR	(16,076,532)	0	(16,076,532)	0	0	0	0	(16,076,532)
Depreciation (expense)	0	(1,795,338)	(1,795,338)	(393,159)	(1,580,450)	0	0	(3,768,947)
Transfers	0	546,918	546,918	0	0	(546,918)	0	0
Balance at 30 June 2020	3,020,192	57,895,697	60,915,889	1,519,135	7,698,266	2,899,785	0	73,033,075
Comprises:								
Gross balance amount at 30 June 2020	3,020,192	63,181,893	66,202,085	2,378,657	12,748,720	2,899,785	0	84,229,247
Accumulated depreciation at 30 June 2020	0	(5,286,196)	(5,286,196)	(859,522)	(5,050,454)	0	0	(11,196,172)
Balance at 30 June 2020	3,020,192	57,895,697	60,915,889	1,519,135	7,698,266	2,899,785	0	73,033,075
Additions	0	8,023,002	8,023,002	117,219	1,120,984	192,324	43,074	9,496,602
(Disposals)	0	(252,028)	(252,028)	0	(392,635)	0	0	(644,662)
Depreciation (expense)	0	(1,911,701)	(1,911,701)	(520,912)	(1,650,293)	0	0	(4,082,906)
Transfers	0	2,899,785	2,899,785	0	0	(2,899,785)	0	0
Balance at 30 June 2021	3,020,192	66,654,755	69,674,947	1,115,442	6,776,322	192,324	43,074	77,802,109
Comprises:								
Gross balance amount at 30 June 2021	3,020,192	73,815,100	76,835,292	2,495,876	13,191,577	192,324	43,074	92,758,143
Accumulated depreciation at 30 June 2021	0	(7,160,345)	(7,160,345)	(1,380,434)	(6,415,255)	0	0	(14,956,034)
Balance at 30 June 2021	3,020,192	66,654,755	69,674,947	1,115,442	6,776,322	192,324	43,074	77,802,109

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings						
Land/vested in and under the contr		2 & 3	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2017	Sales comparisons (level 2 and 3 inputs)
Buildings - non-specialised		2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2017	Sales comparisons per lettable area (level 2 inputs), depreciated replacement cost per unit area and estimated useful life (Level 3 inputs)
Buildings - specialised		3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2017	Depreciated replacement cost per unit area and estimated useful life (Level 3 inputs)

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement. During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

10. INFRASTRUCTURE

(e) Movements in Balances

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

	Roads		Footpaths, Carparks & Bridges		Drainage		Recreation Areas		Infrastructure Others		Rehabilitation Assets		Works in Progress - Roads, Footpaths and Bridges		Works in Progress - Drainage		Works in Progress - Other Infrastructure		Works in Progress - Recreation Areas		Total Infrastructure	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	201,588,333	38,276,030	32,287,479	9,878,470	6,414,475	0	375,258	0	64,986	5,060,488	0	64,986	5,060,488	782,884	0	6,005,028	6,005,028	17,971,831	0	0	0	294,728,403
Additions	1,413,351	674,665	736,909	969,086	4,559,645	0	2,904,842	0	47,863	660,522	0	47,863	660,522	0	0	0	0	0	0	0	0	17,971,831
Recognition of asset (rehabilitation)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,802,000
Depreciation (expense)	(4,081,162)	(919,824)	(697,607)	(1,173,293)	(504,310)	0	0	0	(64,986)	(5,060,488)	0	(64,986)	(5,060,488)	(782,884)	0	0	0	0	0	0	0	(7,376,196)
Transfers	296,701	78,557	64,986	782,884	5,060,488	0	(375,258)	0	47,863	660,522	0	47,863	660,522	0	0	0	0	0	0	0	0	0
Balance at 30 June 2020	199,217,223	38,109,448	32,391,767	10,457,147	15,530,198	0	2,904,842	0	47,863	4,802,000	0	47,863	4,802,000	6,005,028	0	6,005,028	6,005,028	17,971,831	0	0	0	310,126,038
Comprises:																						
Gross balance at 30 June 2020	253,125,657	39,890,241	33,772,926	12,740,986	16,408,285	0	2,904,842	0	47,863	4,802,000	0	47,863	4,802,000	6,005,028	0	6,005,028	6,005,028	17,971,831	0	0	0	370,356,380
Accumulated depreciation at 30 June 2020	(53,908,434)	(1,780,793)	(1,381,159)	(2,263,849)	(676,087)	0	0	0	(64,986)	(5,060,488)	0	(64,986)	(5,060,488)	(782,884)	0	0	0	0	0	0	0	(60,233,322)
Balance at 30 June 2020	199,217,223	38,109,448	32,391,767	10,457,147	15,530,198	0	2,904,842	0	47,863	4,802,000	0	47,863	4,802,000	6,005,028	0	6,005,028	6,005,028	17,971,831	0	0	0	310,126,038
Additions	4,473,342	378,462	372,859	842,488	250,297	0	14,417,732	0	0	0	0	0	0	0	0	0	0	0	0	0	0	26,122,854
Impairment (losses) / reversals transferred to revaluation surplus	0	0	0	0	0	0	0	0	0	(833,993)	0	0	0	0	0	0	0	0	0	0	0	(833,993)
Depreciation (expense)	(4,171,245)	(938,108)	(710,286)	(1,367,712)	(653,454)	0	(1,907,444)	0	(42,106)	(5,529,099)	0	(42,106)	(5,529,099)	(5,351,449)	0	(5,351,449)	(5,351,449)	0	0	0	0	(8,442,433)
Transfers	1,728,871	178,573	42,106	5,351,449	344,193	0	(1,907,444)	0	5,757	3,386,379	0	5,757	3,386,379	816,463	0	816,463	816,463	0	0	0	0	326,972,446
Balance at 30 June 2021	201,248,191	37,728,375	32,096,446	15,293,372	15,471,234	0	15,415,130	0	5,757	3,386,379	0	5,757	3,386,379	6,005,028	0	6,005,028	6,005,028	17,971,831	0	0	0	310,126,038
Comprises:																						
Gross balance at 30 June 2021	259,327,870	40,447,276	34,187,690	18,944,933	17,002,775	0	15,415,130	0	5,757	3,386,379	0	5,757	3,386,379	6,005,028	0	6,005,028	6,005,028	17,971,831	0	0	0	370,356,380
Accumulated depreciation at 30 June 2021	(58,079,679)	(2,718,901)	(2,091,444)	(3,651,561)	(1,531,541)	0	(1,907,444)	0	(42,106)	(5,529,099)	0	(42,106)	(5,529,099)	(5,351,449)	0	(5,351,449)	(5,351,449)	0	0	0	0	(68,075,126)
Balance at 30 June 2021	201,248,191	37,728,375	32,096,446	15,293,372	15,471,234	0	15,415,130	0	5,757	3,386,379	0	5,757	3,386,379	6,005,028	0	6,005,028	6,005,028	17,971,831	0	0	0	310,126,038

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Roads	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Footpaths, Carparks & Bridges	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Drainage	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Recreation Areas	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure Others	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement. During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Revaluation (Continued)

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

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

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to Note 11 that details the significant accounting policies applying to leases (including right-of-use assets).

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

11. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - non-specialised	252,028	0	0	(252,028)	0	0	0	0	0	0	0	0
Plant and equipment	392,635	219,715	11,822	(184,741)	672,048	328,500	89,309	(432,857)	565,587	491,163	38,051	(112,475)
	644,662	219,715	11,822	(436,769)	672,048	328,500	89,309	(432,857)	565,587	491,163	38,051	(112,475)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2020 Actual Loss
Plant and Equipment				
Other property and services				
Compressor Air Champion Rotary Screw with Filters	2,011	0	0	(2,011)
Toyota Prado (DIS)	32,414	33,060	646	0
Pressure Cleaner Spitwater	0	153	153	0
Mower Rotary Push Type (Not In Service)	0	612	612	0
Rosmech Mistral Road Sweeper with Hino 500 series	249,317	100,000	0	(149,317)
Howard Stealth Wing Tip Mower	0	587	587	0
Self Propelled Elevated Work Platform	20,722	15,480	0	(5,242)
Hino 500 Series Hooklift Truck	73,774	60,000	0	(13,774)
Yanmar 4 High Pressure pump with dieselmotor and electric start pump	0	0	0	0
Spreader Fertilizer Sitrex S400	0	8	8	0
Compact Sweeper Rosmech Azura	0	9,815	9,815	0
Graytill Smartspray Ute mounted Spray System	14,397	0	0	(14,397)
	392,635	219,715	11,822	(184,741)
Other Asset class				
Program				
Recreation and culture	252,028	0	0	(252,028)
	252,028	0	0	(252,028)
	644,662	219,715	11,822	(436,769)

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

11. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	1,911,701	123,141	1,795,338
Furniture and equipment	520,912	10,359	393,159
Plant and equipment	1,650,293	6,033,186	1,580,450
Roads	4,171,245	5,258,977	4,081,162
Footpaths, Carparks & Bridges	938,108	0	919,824
Drainage	710,286	0	697,607
Recreation Areas	1,367,712	60,471	1,173,293
Infrastructure Others	653,454	166,958	504,310
Rehabilitation Assets	601,628	0	0
	12,525,339	11,653,092	11,145,143

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These

Depreciation rates

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

Depreciation rates

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

	Estimated Useful Life
High Use Vehicles	4 years
Ride on Mowers	3-5 years
Cars & Light Vehicles	5 -6.67 years
Trucks Small 2-5 tonne	6.67 years
Trucks Medium 6-12 tonne	5-8 years
Trucks Heavy >12 tonne & Medium Plant	6-16 years
Plant Heavy, Graders, Scrapers, Dozers, etc	12 years
Plant Portable (regular use)	3-16 years
Plant Other (low use and/or long life)	16 years
Computer Equipment (hardware/software)	4 years
Furniture & Equipment	5-10 years
Building Plant & Air Conditioning	15 years
Buildings	40 years
Buildings - Long Life Structures Infrastructure Fixed:	50 years
Formation & Earthworks (roads, reserves, landfill)	100 years
Paving, Seals & Services	5-100 years
Road Plant & Bus Shelters	20 years
Bridges, jetties and long-life coastal infrastructure	80 years
Drainage facilities	60 years
Footpaths, Dual Use Paths	50 years
Light Plant, Tractors 4 to 12 Tonne	6.67 Years
Other Infrastructure & Other Recreation Infrastructure	33 Years

gains and losses are included in the statement of comprehensive income in the period in which they arise.

Depreciation on revaluation

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

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

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

12. LEASES

(a) Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

	2021 Actual	2020 Actual
	\$	\$
Less than 1 year	1,433,394	2,203,367
1 to 2 years	1,328,478	1,433,394
2 to 3 years	1,239,925	1,328,478
3 to 4 years	1,148,091	1,239,925
4 to 5 years	881,959	1,148,091
> 5 years	7,790,833	8,672,792
	<u>13,822,680</u>	<u>16,026,047</u>

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Entity applies AASB 15 to allocate the consideration under the contract to each component.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

13. REVALUATION SURPLUS

	2021 Opening Balance \$	2021 Change in Accounting Estimate \$	2021 Closing Balance \$	2020 Opening Balance \$	2020 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2020 Closing Balance \$
Revaluation surplus - Land - freehold land	18,776,908	0	18,776,908	34,853,440	(16,076,532)	(16,076,532)	18,776,908
Revaluation surplus - Furniture and equipment	201,314	0	201,314	201,314	0	0	201,314
Revaluation surplus - Roads	148,062,212	0	148,062,212	148,062,212	0	0	148,062,212
Revaluation surplus - Footpaths, Carparks & Bridges	30,512,688	0	30,512,688	30,512,688	0	0	30,512,688
Revaluation surplus - Drainage	27,400,598	0	27,400,598	27,400,598	0	0	27,400,598
Revaluation surplus - Recreation Areas	8,014,788	0	8,014,788	8,014,788	0	0	8,014,788
Revaluation surplus - Infrastructure Others	2,101,283	601,628	2,702,911	2,101,283	0	0	2,101,283
	235,069,791	601,628	235,671,419	251,146,323	(16,076,532)	(16,076,532)	235,069,791

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

14. TRADE AND OTHER PAYABLES

Current

Sundry creditors	5,659,954	4,444,302
Prepaid rates	417,615	360,703
Accrued salaries and wages	517,271	460,849
ATO liabilities	0	251,261
Bonds and deposits held	633,957	617,884
Accrued and other liabilities	112,281	208,272
	<u>7,341,078</u>	<u>6,343,271</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition

Prepaid rates

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

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

15. OTHER LIABILITIES

Current

Contract liabilities
Capital Grant Liability
Developer Contributions

2021	2020
\$	\$
393,309	386,266
2,598,395	7,147,754
2,185,128	2,341,807
5,176,832	9,875,827

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Grant liabilities & developer contribution represent the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

16. INFORMATION ON BORROWINGS

	2021	2020
	\$	\$
(a) Borrowings		
Current	859,857	854,092
Non-current	5,430,907	3,255,854
	6,290,764	4,109,946

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2020		30 June 2020			
				Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget		
				Principal	New Loans	repayments	Principal	repayments	Principal	repayments	Principal	New Loans	repayments	Principal	repayments		
Recreation and culture																	
Civic Centre Redevelopment	193	WATC*	3.8500%	994,413	0	(487,464)	(54,680)	595,927	0	1,463,196	0	(468,783)	(52,175)	994,413			
BPC Pavilion	194	WATC*	3.8600%	121,517	0	(121,516)	(6,366)	0	0	236,216	0	(114,699)	(12,309)	121,517			
Town Beach Redevelopment	195	WATC*	1.6165%	1,450,000	0	(33,686)	(7,340)	1,865,104	300,000	0	1,450,000	0	0	0	1,450,000		
Broome Surf Life Saving Club		WATC*		0	0	0	0	300,000	0	0	0	0	0	0	0		
Economic services																	
Chinatown Revitalisation Project Stage 1	196	WATC*	1.8900%	1,544,026	0	(158,936)	(29,286)	1,445,189	0	1,700,000	0	(155,974)	(31,308)	1,544,026			
Chinatown Revitalisation Project Stage 2	198	WATC*	1.9500%	1,785,000	1,785,000	(654,092)	(90,574)	6,040,864	2,095,000	6,040,864	3,399,412	(738,456)	(66,816)	4,109,956			
				4,109,956	1,785,000	(813,428)	(120,060)	1,785,000		3,399,412	1,450,000	(738,456)	(66,816)	4,109,956			
Self Supporting Loans																	
Recreation and culture																	
Broome Golf Club	199	WATC*	1.9540%	0	1,250,000	(73,720)	(28,550)	1,176,280	1,250,000	0	0	0	0	0	0		
				0	1,250,000	(73,720)	(28,550)	1,176,280	1,250,000	0	0	0	0	0	0	0	
				4,109,956	3,035,000	(813,428)	(118,584)	7,183,570	3,335,000	3,399,412	1,450,000	(738,456)	(66,816)	4,109,956			

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost.

All other loan repayments were financed by general purpose revenues.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

16. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2021 Actual	2021 Budget	2021 Actual	2021 Budget		
Broome Golf Club	WATC*	Semi-annual	15	1.9540%	1,250,000	1,250,000	(1,250,000)	(1,250,000)	0	0
Chinatown Revitalisation Project Stage 2	WATC*	Semi-annual	15	1.9500%	1,785,000	1,785,000	(1,785,000)	(1,785,000)	0	0
Broome Surf Life Saving Club	WATC*	TBC	TBC	TBC	0	300,000	0	(300,000)	0	0
* WA Treasury Corporation					3,035,000	3,335,000	(3,035,000)	(3,335,000)	0	0

(d) Undrawn Borrowing Facilities

	2021	2020
	\$	\$
Loan facilities		
Loan facilities - current	859,957	854,092
Loan facilities - non-current	5,430,907	3,255,864
Total facilities in use at balance date	6,290,864	4,109,956

Unused loan facilities at balance date NIL NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 26.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

17. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	1,496,088	883,792	2,379,880
Non-current provisions	0	280,545	280,545
	<u>1,496,088</u>	<u>1,164,337</u>	<u>2,660,425</u>
 Additional provision	 (88,765)	 (134,154)	 (222,919)
Balance at 30 June 2021	1,407,323	1,030,183	2,437,506
 Comprises			
Current	1,407,323	837,144	2,244,467
Non-current	0	193,039	193,039
	<u>1,407,323</u>	<u>1,030,183</u>	<u>2,437,506</u>
 Amounts are expected to be settled on the following basis:	2021	2020	
	\$	\$	
Less than 12 months after the reporting date	1,256,407	1,927,703	
More than 12 months from reporting date	1,181,099	732,722	
	<u>2,437,506</u>	<u>2,660,425</u>	

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Provisions

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

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

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

18. OTHER PROVISIONS

	Provision for remediation costs	Total
	\$	\$
Opening balance at 1 July 2020		
Non-current provisions	4,802,000	4,802,000
	4,802,000	4,802,000
Additional provision	(1,435,621)	(1,435,621)
Amounts used	(121,117)	(121,117)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	(61,337)	(61,337)
Balance at 30 June 2021	3,183,925	3,183,925
Comprises		
Current	700,158	700,158
Non-current	2,483,767	2,483,767
	3,183,925	3,183,925

Provision for remediation costs

Shire of Broome recognised the future remediation liability for the waste management facility in the statement of financial position as it is probable that an outflow of obligation is certain and the amount at which the settlement will take place can be measured reliably. The liability is reported at the present value of the future net cash outflows that are expected to

be required to settle the liability in the normal course of business as per AASB 137. The restoration obligation has been estimated by an independent industry professional and the present value of the future restoration costs is to be reviewed annually and any changes in the estimate are to be reflected in the restoration provision at each reporting date.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

19. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	44,065,529	36,753,289	43,577,663
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	23,205,131	24,287,883	10,395,205
Non-cash flows in Net result:			
Depreciation on non-current assets	12,525,339	11,653,092	11,145,143
(Profit)/loss on sale of asset	424,947	343,548	74,424
Change in accounting policies transferred to retained surplus	0	0	(2,885,993)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	3,057,250	0	(3,353,591)
(Increase)/decrease in other assets	(111,064)	0	245,837
(Increase)/decrease in inventories	(20,744)	0	5,057
(Increase)/decrease in contract assets	(14,386)	0	0
Increase/(decrease) in payables	997,807	0	(1,152,189)
Increase/(decrease) in employee provisions	(222,919)	0	0
Increase/(decrease) in other provisions	(61,337)	0	228,834
Increase/(decrease) in other liabilities	(4,698,995)	0	9,875,827
(Increase)/decrease in Units in LG Housing Trust	(3,233)	0	(1,441)
Non-operating grants, subsidies and contributions	(22,184,375)	(30,737,197)	(18,654,060)
Net cash from operating activities	12,893,421	5,547,326	5,923,053

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	394,580	486,676
General purpose funding	12,934,623	7,009,195
Law, order, public safety	6,645,075	6,804,811
Health	0	58,472
Education and welfare	2,245,375	2,285,110
Housing	3,572,304	3,594,369
Community amenities	33,948,575	38,686,192
Recreation and culture	57,519,257	43,578,088
Transport	293,313,271	283,674,078
Economic services	5,896,080	3,205,152
Other property and services	37,144,626	43,786,136
	453,613,764	433,168,279

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

21. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

	2021	2020
	\$	\$
	2,298,615	5,407,392
	218,968	30,640
	<u>2,517,583</u>	<u>5,438,032</u>

Payable:

- not later than one year

	2,517,583	5,438,032
--	-----------	-----------

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

Payable:

- not later than one year
- later than one year but not later than five years
- later than five years

	2021	2020
	\$	\$
	227,547	503,322
	<u>227,547</u>	<u>503,322</u>

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

Lease 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 2021

22. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cr Harold Tracey			
President's annual allowance	47,515	47,515	47,515
Meeting attendance fees	23,361	23,361	23,361
ICT Allowance	3,500	3,500	3,500
Travel Allowance	50	50	50
	74,426	74,426	74,426
Cr Desiree Male			
Deputy President's annual allowance	11,879	11,879	11,879
Meeting attendance fees	17,423	17,423	17,423
ICT Allowance	3,500	3,500	3,500
Travel Allowance	50	50	50
	32,852	32,852	32,852
Cr Chris Mitchell JP			
Meeting attendance fees	17,423	17,423	17,338
ICT Allowance	3,500	3,500	3,485
Travel Allowance	50	50	50
	20,973	20,973	20,872
Cr Bruce Rudeforth Jnr			
Meeting attendance fees	17,423	17,423	17,338
ICT Allowance	3,500	3,500	3,485
Travel Allowance	50	50	50
	20,973	20,973	20,872
Cr Peter Taylor			
Meeting attendance fees	17,423	17,423	12,148
ICT Allowance	3,500	3,500	2,441
Travel Allowance	50	50	34
	20,973	20,973	14,623
Cr Nik Wevers			
Meeting attendance fees	17,423	17,423	12,148
ICT Allowance	3,500	3,500	2,441
Travel Allowance	50	50	34
	20,973	20,973	14,623
Cr Fiona West			
Meeting attendance fees	17,423	17,423	12,148
ICT Allowance	3,500	3,500	2,441
Travel Allowance	50	50	34
	20,973	20,973	14,623
Cr Elsta Foy			
Meeting attendance fees	17,423	17,423	17,423
ICT Allowance	3,500	3,500	3,500
Travel Allowance	50	50	50
	20,973	20,973	20,973

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

22. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cr Philip Matsumoto			
Meeting attendance fees	17,423	17,423	17,423
ICT Allowance	3,500	3,500	3,500
Travel Allowance	50	50	50
	20,973	20,973	20,973
Catherine Marriott			
Meeting attendance fees	0	0	4,777
ICT Allowance	0	0	960
Travel Allowance	0	0	14
	0	0	5,751
Mala Fairborn			
Meeting attendance fees	0	0	5,199
ICT Allowance	0	0	1,044
Travel Allowance	0	0	15
	0	0	6,258
	254,089	254,089	246,845
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	47,515	47,515	47,515
Deputy President's allowance	11,879	11,879	11,879
Meeting attendance fees	162,745	162,745	156,726
ICT Allowance	31,500	31,500	30,296
Travel Allowance	450	450	430
	254,089	254,089	246,845

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

23. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual \$	2020 Actual \$
Short-term employee benefits	918,166	924,469
Post-employment benefits	80,696	78,026
Other long-term benefits	67,403	50,903
Termination benefits	2,203	38,246
	1,068,467	1,091,644

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2021 Actual \$	2020 Actual \$
Sale of goods and services	186,549	298,461
Purchase of goods and services	357,037	2,605,290

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

24. RATING INFORMATION (Continued)

(b) Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$
General Rates	Concession	50%		1,140	1,140	1,140
General Rates	Concession	50%		1,252	1,252	1,252
General Rates	Concession	50%		1,154	1,154	1,154
General Rates	Concession	50%		1,097	1,097	1,097
General Rates	Concession	50%		1,097	1,097	1,097
General Rates	Concession	50%		1,308	1,308	1,308
General Rates	Concession	50%		1,140	1,140	1,140
General Rates	Concession	50%		1,154	1,154	1,154
General Rates	Concession	50%		4,408	4,408	4,408
General Rates	Concession	37%		8,576	8,576	8,576
General Rates	Concession	50%		5,002	5,002	5,002
General Rates	Concession	90%		26,236	26,236	38,016
General Rates	Concession	50%		1,578	1,578	1,578
General Rates	Concession	80%		73,140	0	0
General Rates	Concession	80%		43,489	0	0
General Rates	Concession	80%		38,007	0	0
General Rates	Concession	80%		36,559	0	0
General Rates	Concession	80%		25,397	0	0
General Rates	Concession	80%		20,547	0	0
General Rates	Concession	80%		19,344	0	0
General Rates	Concession	80%		16,104	0	0
General Rates	Concession	80%		13,811	0	0
General Rates	Concession	80%		10,277	0	0
General Rates	Concession	80%		10,091	0	0
General Rates	Concession	80%		8,640	0	0
General Rates	Concession	80%		7,559	0	0
General Rates	Concession	100%		0	0	6,571
General Rates	Concession	100%		0	0	12,243
				378,107	55,142	85,735
				378,107	55,142	85,735

Total discounts/concessions (Note 24(a))

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects and Reasons for the Waiver or Concession
Concession is Granted		
General Rates	Varying concessions to a charitable organisation (90%, 50%, 37%)	Concession offered because of the nature of the undertaking of the organisation providing social housing and affordable housing.
General Rates	80% concession to pastoral properties	Concession offered to reduce the impact of valuation increase and corresponding rates during the period.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

24. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	20/08/2020	0	0.0%	8.0%
Option Two				
First instalment	20/08/2020	10	0.0%	8.0%
Second instalment	07/01/2021	10	5.5%	8.0%
Option Three				
First instalment	20/08/2020	10	0.0%	8.0%
Second instalment	22/10/2020	10	5.5%	8.0%
Third instalment	07/01/2021	10	5.5%	8.0%
Fourth instalment	18/03/2021	10	5.5%	8.0%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	75,728	160,000	117,871
Interest on instalment plan	0	150,000	141,504
Charges on instalment plan	0	60,780	59,750
Payment arrangement fee	50	8,000	29,095
	75,778	378,780	348,220

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

25. RATE SETTING STATEMENT INFORMATION

Note	2020/21	2020/21	2019/20		
	(30 June 2021 Carried Forward) \$	Budget (30 June 2021 Carried Forward) \$	(30 June 2020 Carried Forward) \$		
(a) Non-cash amounts excluded from operating activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .					
Adjustments to operating activities					
	Less: Profit on asset disposals	11(a)	(11,822)	(89,309)	(38,051)
	Less: Non-cash grants and contributions for assets		0	0	(488,063)
	Less: Movement in liabilities associated with restricted cash		(1,614,759)	0	463,565
	Less: Fair value adjustments to financial assets at fair value through profit and loss		(3,233)	0	(1,441)
	Movement in pensioner deferred rates (non-current)		2,884	0	(5,377)
	Movement in employee benefit provisions		(222,919)	0	228,834
	Movement in other provisions (non-current)		(61,337)	0	0
	Add: Other increase/decrease and non-cash movements		(41,765)	0	0
	Add: Loss on disposal of assets	11(a)	436,769	432,857	112,475
	Add: Depreciation on non-current assets	11(b)	12,525,339	11,653,092	11,145,143
	Non cash amounts excluded from operating activities		11,009,157	11,996,640	11,417,085
(b) Surplus/(deficit) after imposition of general rates					
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.					
Adjustments to net current assets					
	Less: Reserves - cash backed	3	(34,866,524)	(32,001,799)	(40,024,863)
	Less: Financial assets at amortised cost - self supporting loans	5(a)	0	(73,408)	0
	Less: Current assets not expected to be received at end of year				
	- Bonds and deposits held by others		(1,800)	0	(9,055)
	Add: Current liabilities not expected to be cleared at end of year				
	- Current portion of borrowings	16(a)	859,957	875,554	854,092
	- Current portion of contract liability held in reserve		5,176,832	2,883,692	9,875,827
	- Employee benefit provisions		1,197,060	1,665,592	2,379,880
	- Liability associated with restricted cash - bonds and deposits		633,957	0	617,884
	- Liability not expected to be paid within 12 months		700,158	0	65,093
	Total adjustments to net current assets		(26,300,360)	(26,650,369)	(26,241,142)
Net current assets used in the Rate Setting Statement					
	Total current assets		47,462,298	39,960,910	49,882,604
	Less: Total current liabilities		(16,322,492)	(13,310,541)	(19,453,070)
	Less: Total adjustments to net current assets		(26,300,360)	(26,650,369)	(26,241,142)
	Net current assets used in the Rate Setting Statement		4,839,446	0	4,188,392

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

26. FINANCIAL RISK MANAGEMENT

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

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

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

Financial risk management is carried out by the CEO under policies approved by the Council. The CEO through Management identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	0.93%	44,065,529	0	44,065,529	
2020					
Cash and cash equivalents	1.50%	43,577,663	0	43,577,663	

Sensitivity

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

	2021	2020
Impact of a 1% movement in interest rates on profit and loss and equity*	\$ 440,655	\$ 435,777

* Holding all other variables constant

Borrowings

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

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 16(b).

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2021 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Specific provision	Total
30 June 2021						
Rates receivable						
Expected credit loss	2%	5%	8%	10%		
Gross carrying amount	22,028	560,555	123,785	110,074	191,880	1,008,322
Loss allowance	441	28,028	9,903	11,007	191,880	241,258
30 June 2020						
Rates receivable						
Expected credit loss	2%	5%	8%	10%		
Gross carrying amount	1,810	688,282	103,982	84,300	0	878,374
Loss allowance	36	34,414	8,319	8,430	116,505	167,704

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Specific provision	Total
30 June 2021						
Trade and other receivables						
Expected credit loss	2%	5%	10%	15%		
Gross carrying amount	1,588,315	70,903	49,015	251,927	128,943	2,089,103
Loss allowance	31,766	3,545	4,902	37,789	128,943	206,945
30 June 2020						
Trade and other receivables						
Expected credit loss	2%	5%	10%	15%		
Gross carrying amount	4,867,675	96,166	24,282	69,981		5,058,104
Loss allowance	97,354	4,808	2,428	10,497	19,747	134,834

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

26. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(d).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Payables	7,341,078	0	0	7,341,078	7,341,078
Borrowings	859,957	2,250,089	3,180,818	6,290,864	6,290,864
	<u>8,201,035</u>	<u>2,250,089</u>	<u>3,180,818</u>	<u>13,631,942</u>	<u>13,631,942</u>
2020					
Payables	6,343,271	0	0	6,343,271	6,343,271
Borrowings	945,498	1,708,467	1,841,960	4,495,925	4,109,956
	<u>7,288,769</u>	<u>1,708,467</u>	<u>1,841,960</u>	<u>10,839,196</u>	<u>10,453,227</u>

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

27. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) **AASB 1059 Service Concession Arrangements: Grantors**

No service concession arrangement have been identified.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

28. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Town Planning Related Bond Deposits	102,437	4,125	0	106,562
Cash In Lieu Of Public Open Space	100,209	0	0	100,209
Unclaimed Monies	2,360	0	(2,360)	0
BRB Levy	4,941	0	(4,941)	0
	209,947	4,125	(7,301)	206,771

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

29. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

30. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING To collect revenue to allow provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision of various by-laws, fire prevention, emergency services and animal control.
HEALTH To provide an operational framework for environmental and community health.	Food quality, eating house inspection, pest control and child health clinics.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.	Facilities for senior citizens aged care, infant, day care centres, pre-school; assistance to play group and other community services and development activities.
HOUSING To provide and maintain staff housing.	Provision of staff housing.
COMMUNITY AMENITIES To provide services required by the community.	Rubbish collection services, tip operation, administration of the town planning scheme, maintenance of cemeteries, storm water drainage maintenance, sanitation maintenance and environmental protection.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resource which will help the social being of the community.	Operation/maintenance of halls, Broome Recreation and Aquatic Centre (BRAC), various parks and reserves, beaches, library, museum and other cultural activities.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges, footpaths and street lighting.
ECONOMIC SERVICES To help promote the Council's economic well being.	The regulation and provision of tourism facilities, area promotion and building control.
OTHER PROPERTY AND SERVICES To monitor and control Council's overheads operating accounts.	Private works and provision of unclassified civic building facilities. General Administration support for Council's operations, allocated to other functions. Engineering, works and parks and gardens management, allocated to construction and maintenance jobs. Plant and depot operation and maintenance, allocated to construction and maintenance jobs.

Notes to and Forming Part of The Financial Report

For the year ended 30 June 2021

31. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.27	1.16	1.12
Asset consumption ratio	0.83	0.84	0.86
Asset renewal funding ratio	1.09	0.96	1.05
Asset sustainability ratio	1.71	0.62	1.50
Debt service cover ratio	9.51	15.38	8.63
Operating surplus ratio	(0.11)	0.05	(0.11)
Own source revenue coverage ratio	0.82	0.85	0.82

The above ratios are calculated as follows:

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

Independent Audit Report

For the year ended 30 June 2021



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Broome

To the Councillors of the Shire of Broome

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the Shire of Broome (Shire) which comprises:

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Shire of Broome:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Independent Audit Report

For the year ended 30 June 2021

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

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

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

Auditor's responsibility for the audit of the financial report

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

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

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

Independent Audit Report

For the year ended 30 June 2021

Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) The following material matter indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a) Staff acting in higher duties had capacity to approve their own timesheet and were paid at a rate that was higher than their approved higher duties form. Staff also authorised bank payments while acting in higher duties capacity however, there was no further documentation to support the arrangement, or the relevant documentation was approved after the arrangement. This increased the risk of unauthorised and incorrect payroll payments, fraud and or errors occurring without being detected.
 - b) Due to issues with the current payroll system, several complex journals are required to correct and balance the general ledger accounts. During the year, payroll reconciliations were not timely and formally signed due to these balancing issues; instead, correcting journals were posted at year end. This increased the risk that processing errors of employee costs and leave balances may not be timely or appropriately corrected.
 - c) Documentation to support procurement decision making such as quotations and procurement plans could not be provided for some samples tested. This practice increased the likelihood of not receiving value for money in procurement and/or pricing change between quotation and invoicing.
 - d) Sufficient and appropriate documentation to support journal adjustments was not always readily available. We also noted several journals processed by the IT Vision service provider which were not formally reviewed by the Shire for appropriateness. This increased the risk of erroneous transactions or fraud occurring without detection.
 - e) SynergySoft system purchasing delegation limits are not always aligned with authorised purchasing delegation limits. In addition, we found that some staff acting on higher duties arrangements appeared to have inappropriate levels of access, with potential to bypass system segregation of duties controls. This increased the risk of inappropriate approval of transactions and or fraudulent transactions occurring, which may result in financial loss.
 - f) There is no evidence that the ordering of goods was approved prior to ordering as purchase orders were dated on or after the suppliers' invoices were received.
 - g) A modification was made to vendor bank accounts details on the weekend and the bank account details were not independently checked prior to payment. Several staff are authorised to make purchases up to \$2,000 (without second authorisation), and bank details for these transactions are not checked. There are several duplicated suppliers, and suppliers that have never been used within the supplier masterfile. This increased the risk of erroneous transactions or fraud occurring without detection.
 - h) SynergySoft user access is not periodically reviewed to ensure ongoing access continues to be appropriate. Further, network access had not, in all cases, been disabled for former employees. Whilst the remote access server records remote logins and unsuccessful login attempts, there is no evidence that these are reviewed. This increased the risk of inappropriate or unauthorised access to the Shire's IT systems and/or information, and thereby the confidentiality, integrity, and availability of the Shire's information.
 - i) Formal review needs to be performed to determine whether Town Planning bonds need to be held in trust or returned. The Shire is not recognising the trust funds in accordance with s6.9(1) of the Local Government Act 1995
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Independent Audit Report

For the year ended 30 June 2021

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Broome for the year ended 30 June 2021 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
3 December 2021

FEEDBACK

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

- In person: Shire Administration Centre
Cnr Weld and Haas Street
Broome, Western Australia
- Phone: +618 9191 3456
- Email: shire@broome.wa.gov.au
- Facebook: facebook.com/BroomeWesternAustralia/
- Instagram: instagram.com/shireofbroome/
- Mail: PO Box 44, Broome
Western Australia 6725



www.broome.wa.gov.au

