

Shire of Broome Annual Report



For the financial year
2015/2016

What is the Annual Report?

As required by the *Local Government Act 1995* and associated regulations the Annual Report for 2015/16 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 2015 – 2025 and the Actions contained in the Corporate Business Plan 2015 – 2019.

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

Our Vision

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

Our Mission

To deliver affordable and quality Local Government services.

Our Values

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

Communication

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

Integrity

Be honest, equitable and ethical in all our dealings.

Respect

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

Innovation

Drive change through leadership and energy.

Transparency

Be open and accountable in all our activities.

Courtesy

Provide courteous service and helpful solutions.

Statistics Snapshot 2015/16

- 97,800 visitors to Broome Public Library in 2015/16.
- 93,428 people visited Cable Beach between the swimming flags.
- 49,597 BRAC aquatic entries for 2015/16.
- 6,484 BRAC group fitness class attendees.
- 2,149 votes cast in 2015 Broome Shire Council election.
- 1,026 kids enrolled in BRAC Learn to Swim classes.
- 682 dogs impounded by Rangers in 2015/16.
- 536 kids enrolled in sport through KidSport program.
- 369 building permits issued in 2015/16.
- 122 beachgoers treated for first aid.
- 50 participants in Australian Citizenship Ceremonies.
- 23 burials and 2 internments at Broome Cemetery.
- 7 beach closures for crocodiles and stingers.
- 5 life saving rescues performed on Cable Beach.

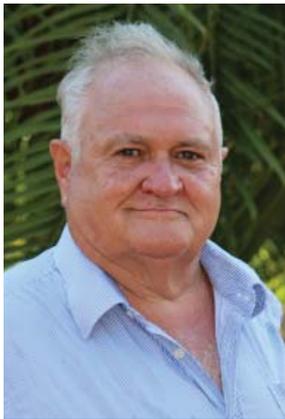


Cable Beach Life Guards performed five life-saving rescues in 2015/16.

Table of Contents

Message from the Shire President	4	2.5 Retention and expansion of Broome's iconic tourism assets and reputation	32
Message from the Chief Executive Officer.....	5	2.6 Core asset management to optimise the Shire's infrastructure while minimising lifecycle costs .	32
About Council	6	2.7 Council is able to mobilise resources to deliver municipal services to Indigenous communities that are compliant, effective and within Council's capacity	36
Council and Committee Meetings	7		
Councillor Meeting Attendance 2015/16	8		
Broome Snapshot	9	Our Prosperity	37
Visiting Broome.....	9	3.1 Affordable and equitable services and infrastructure	37
Living in Broome.....	9	3.2 Affordable land for residential, industrial, commercial and community use.....	38
Working in Broome	9	3.3 Key economic development strategies for the Shire which are aligned to regional outcomes working through recognised planning and development groups/committees.....	38
About the Shire of Broome.....	10	Our Organisation.....	39
Office of the CEO.....	11	4.1 An organisational culture that strives for service excellence	39
Community and Economic Development	11	4.2 Sustainable and integrated strategic and operational plans.....	41
Corporate Services.....	11	4.3 Responsible resource allocation	42
Development Services.....	11	4.4 Effective community engagement.....	42
Infrastructure Services	11	4.5 Improved Systems, Processes and Compliance... ..	43
Council's Long Term Planning and Forecasting Requirements	11	Measuring Outcomes – KPI's.....	48
Annual Report.....	11	2015/16 Financial Statements	52
Financial Statements.....	11	2015/16 Financial Statements.....	53
Annual Budget	11	Statement by the Chief Executive Officer	54
Plan for the Future – Integrated Strategic Planning (Strategic Community Plan and Corporate Business Plan)	12	Statement of Comprehensive Income by Nature or Type	55
2015/16 Year in Review	13	Statement of Comprehensive Income by Program	56
Our People	14	Statement of Financial Position	57
1.1 Effective Communication	14	Statement of Changes in Equity.....	58
1.2 Affordable services and initiatives to satisfy community needs.....	15	Statement of Cash Flows	59
1.3 Accessible and safe community spaces	20	Rate Setting Statement.....	60
1.4 Participation in recreational and leisure activity	21	Notes to and Forming Part of the Financial Report ..	61
1.5 A healthy and safe environment.....	22	Independent Auditor's Report.....	114
Our Place.....	26	Independent Auditor's Report.....	115
2.1 Realistic and sustainable land use strategies for the Shire within state and national frameworks and in consultation with the community.....	26	Supplementary Ratio Information	116
2.2 A built environment that reflects arid tropical climate design principles and historical built form.....	28		
2.3 A unique natural environment for the benefit and enjoyment of current and future generations.....	30		
2.4 A preserved, unique and significant historical and cultural heritage of Broome.....	31		

Message from the Shire President



I am very pleased to be reporting to our community as Shire President once again.

Following Local Government elections in October 2015 we have a Council with an excellent balance of enthusiastic new Councillors, and experienced and returning representatives. All have hit the ground running and are working hard to advance our community.

I would also like to take the opportunity to thank the outgoing Councillors, and particularly retiring Shire President Graeme

Campbell for his significant and lasting contribution to Broome across more than 10 years.

Our challenge now as a Council is to continue to build Broome's momentum, to create a strong and diverse economy that will stand us in good stead into the future.

Already the exciting Chinatown Revitalisation Project has received the go-ahead after much preliminary work and lobbying, and represents a once-in-a-generation opportunity to transform our CBD. The State will invest \$10 million and the Shire a further \$2 million to fund a range of projects that will enhance and rejuvenate our town's cultural, historical and commercial heart.

The Shire will work collaboratively with LandCorp and the Kimberley Development Commission in delivering these projects. In 2015/16 we have completed the connection of Dampier Tce and Frederick St which is a first step in opening up and activating an underutilised part of the Chinatown precinct.

Diversifying our economic base is a key to underpinning our future and the Shire is continuing to investigate and push new opportunities. The recent release of agricultural land at Skuthorpe is an excellent example of the Shire identifying an opportunity to create new industry, lobbying hard and seeing it through to fruition in partnership with the State.

While the search for new avenues for investment and employment is crucial the Shire remains committed to our existing industries that have traditionally underpinned Broome.

Tourism remains as important as ever and the Shire's support of the sector remains considerable, with funding in 2015/16 going to the Broome Visitor Centre (\$110,000), Australia's North West Tourism (\$175,000), the Broome Tourism Leadership Group (\$20,000) and other Shire tourism initiatives (\$10,000). A further \$25,000 was provided to the Broome Chamber of Commerce and Industry to coordinate cruise ship visits to the town.

Major planning projects such as the Cable Beach Development Strategy are nearing completion following considerable community consultation and input, along with significant undertakings such as the Coastal Vulnerability Study and Coastal Hazard Risk Management and Adaptation Plan that will ensure our development is sustainable into the future.

In closing I would like to thank my fellow Councillors for their work in the past year. The time and energy involved in reading reports and agendas, attending meetings and engagements, and consulting with the community and stakeholders is considerable and appreciated.

Thanks finally to the community for its support, and can I encourage them to be involved and take every opportunity to have input as we build our town together.

Ron Johnston, Shire President



Broome Shire President Ron Johnston paints a stencil with the Roebuck Bay Working Group.

Message from the Chief Executive Officer



In 2015/16 Shire of Broome staff embraced the direction and leadership of a new Council and worked to meet a demanding program of projects while providing value for our ratepayers and residents in challenging economic times.

I believe we have struck a solid balance and I thank our Council, our hardworking Shire staff and our community for working together to this end. I would encourage all in our community to take the time to read this annual report that provides an overview of what has been achieved.

In 2015/16 the Shire of Broome has been proactive in responding to the needs of the community.

Issues such as community safety have been at the fore and the Shire took the lead by convening a Community Safety Working group that brought together agencies such as Police, Yawuru, Broome Chamber of Commerce, Kullarri Patrol, Broome Youth and Families Hub, Department of Justice and Broome Visitor Centre.

The outcomes of this will include a Community Safety Plan to be finalised early in 2016/17, along with ongoing initiatives such as CCTV, improved street lighting, and urban renewal in areas such as Old Broome and the Cable Beach suburb.

The Shire's lobbying on an Aboriginal Short Stay Accommodation Facility has played a part in the advancement of this project that will help tackle further issues.

Road safety has been enhanced with the completion in 2015/16 of projects at Black Spots on Cable Beach Rd East and at the intersection of Hamersley and Haas St.

A focus on nurturing our young people has included initiatives including new regional and local youth strategies, a new Shire of Broome Youth Advisory Council, and the ongoing support of programs such as KidSport to help kids without the financial means to be involved in structured sports. This commitment to our young people culminated in Broome's selection as host for the

regional launch of National Youth Week 2016.

Support for the wider community has also continued, with Shire sponsorship of exciting and innovative community programs and events in 2015/16 including the Rhythm and Ride Rodeo and Country Music Showcase, Kimberley Pilbara Cattlemen's Association Innovation Forum, Incredible Edible Broome's Edible Gardens Project and Bangarra Dance Theatre's Rekindling Program.

Council continued to sponsor and support large-scale events and long-term programs through ongoing funding including Shinju Matsuri, Kullarri NAIDOC Festival, Kimberley Girl, Kullarri Patrol, Taiji Cultural Exchange Program, Relay for Life, Over 50s Senior Citizens Club and Kyle's Cable Beach Walk.

A successful funding application will allow construction of a new Community Storage Facility to support many of our vital and hardworking community groups.

Other major infrastructure projects advanced in 2015/16 include the much-needed upgrade of the Broome Recreation and Aquatic Centre's 20-year-old facilities, with construction to begin early in the new financial year.

The construction of new Kimberley Regional Offices will help ensure that Broome continues as the regional centre for government services while generating revenue that goes back into the community.

Assistance to the private sector has continued, and an example is the steady improvement in processing times for development applications, from an average in 2013/14 of 69 days, to 31 days in 2014/15 and now just 22 days in 2015/16.

The Shire of Broome employs more than 170 staff across administration, engineering and works, parks and gardens, waste management, Broome Recreation and Aquatic Centre, Broome Public Library and Broome Civic Centre, and I extend my thanks to them for the key role they have played in what has been achieved.

Kenn Donohoe, Chief Executive Officer



Visiting the Lombadina community on the Dampier Peninsula.

About Council

Our Elected Members

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

The next Local Government Ordinary election will be held on Saturday 21 October 2017, with the following offices of Councillor up for election:

Broome Ward – 3 Councillors (Four 4-year terms)

Dampier Ward – 1 Councillor (4-year term)

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

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



Shire President
Cr Ron Johnston



Deputy Shire President
Cr Harold Tracey



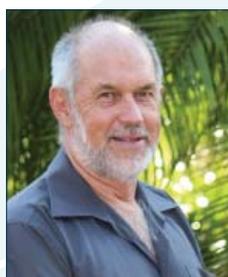
Cr Mala Fairborn



Cr Warren Fryer



Cr Desiree Male



Cr Chris Mitchell JP



Cr Bruce Rudeforth Jnr



Cr Elsta Foy



Cr Philip Matsumoto

Council and Committee Meetings

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

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

Councillors prior to 2015 Ordinary Election

Councillor	Term Expires	Ward
Cr Graeme Campbell, Shire President	2015	Broome
Cr Harold Tracey, Deputy Shire President	2017	
Vacant	2017	
Cr Desiree Male	2017	
Cr Mark Manado	2015	
Cr Chris Mitchell, JP	2015	
Cr Anne Poelina	2015	
Cr Philip Matsumoto	2017	
Cr Philomena Lewis	2015	

An Ordinary Council election was held on Saturday 17 October 2015.

A total of 1,853 electors cast a ballot paper for the Broome Ward, of which two were informal. The participation rate was 26.3 per cent which was lower than the 2013 participation rate of 34.4 per cent.

A total of 296 electors cast a ballot for the Dampier Ward, of which three were informal. The participation rate was 21.62 per cent which was lower than the 2013 participation rate of 27.38 per cent.

Cr Mitchell was re-elected for a four-year term. In addition, five new Councillors were elected – Councillors Fairborn (Croft), Fryer, Foy and Rudeforth for four-year terms and Cr Johnston for a two-year term.

Councillors following 2015 Ordinary Election

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

About Council

Councillor Meeting Attendance 2015/16

Councillor	No. of Meetings To Attend (OCM's/SCM's)	Attended	Non-Attendance	Apology/LOA
Cr G Campbell (term expired 17 October 2015)	7	7		
Cr M Fairborn (Croft) (elected 17 October 2015)	12	10		2
Cr E Foy (elected 17 October 2015)	12	7		5
Cr W Fryer (elected 17 October 2015)	12	9		3
Cr R Johnston (elected 17 October 2015)	12	12		
Cr M Lewis (term expired 17 October 2015)	7	5		2
Cr D Male	19	17		2
Cr M Manado (term expired 17 October 2015)	7	2		5
Cr P Matsumoto	19	15	1	3
Cr C Mitchell (re-elected 17 October 2015)	19	16		3
Cr A Poelina (term expired 17 October 2015)	7	4		3
Cr B Rudeforth (elected 17 October 2015)	12	11		1
Cr H Tracey	19	12		7



Council elections were held in October 2015.

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

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

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

The Shire of Broome comprises 56,000sqkm of coastline, bushland and desert. With a population of about 16,000, this equates to a density of 3sqkm for every person in comparison to 282 people per sqkm within the Perth metropolitan area.



The annual BRAC 2 Beach Fun Run shows off picturesque Cable Beach.

Visiting Broome

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

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

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

Living in Broome

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

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

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

Given its popularity and desirability as a location to live, demand for affordable housing has been high. The establishment of Broome North has helped ensure an ongoing supply of reasonably priced land with the capacity to provide several thousand private homes as well as land for social housing, schools, and light industrial and commercial opportunities.

Working in Broome

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

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

About the Shire of Broome

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

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



Kenn Donohoe
Chief Executive Officer



Sam Mastrolemba
Deputy CEO /
Director Community
and Economic
Development



Aletta Nugent
Director Development
Services



James Watt
Director Corporate
Services



Steven Harding
Director Infrastructure
Services

About the Shire of Broome

Office of the CEO

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

Community and Economic Development

The Deputy CEO, Sam Mastrolemba, is responsible for Community and Economic Development Services. This directorate is comprised of specialist staff in the areas of economic development including project and events management, community development including libraries, disability access and inclusion, beach lifeguards, sport and recreation, youth, culture and the arts.

Corporate Services

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

Development Services

The Director Development Services, Aletta Nugent, is responsible for providing building, planning, health, environmental, ranger and emergency services across the Shire. These departments aim to ensure the orderly and proper development and use of land to provide a liveable, safe and healthy environment for the community by enforcing compliance with relevant state and local legislation.

Infrastructure Services

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

Council's Long Term Planning and Forecasting Requirements

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

Annual Report

The Annual Report is a requirement of the Local Government Act 1995 and is produced yearly. In addition to the statutory information, including the financial statements for 2015/16, the report is to provide an overview of the activities of the Shire for the previous financial year and include major initiatives that are proposed to commence or to continue in the next financial year.

Financial Statements

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

Annual Budget

Projects identified within the Plan for the Future – Corporate Business Plan 2015 -2019 form the basis for the development of the Shire budget. The annual budget sets out the forecasted income and expenditure for the coming financial year, identifies income sources and outlines proposed projects and activities.

About the Shire of Broome

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

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

Amendments to the *Local Government (Administration) Regulations 1996* have better defined what comprises a Plan for the Future. These amendments were supported by the state-wide introduction of the Integrated Planning and Reporting (IPR) Framework. This Framework was introduced to ensure the integration of community priorities into strategic planning for Councils. The Strategic Community Plan (SCP) is the head document of the IPR framework and provides the longer term view (10 year plus timeframe) and sets out the vision, aspirations and objectives of the community. Following a desktop review, at a Special Meeting held 19 February 2015 Council adopted the Shire of Broome Strategic Community Plan 2015-2025 which was effective 1 July 2015.

The Corporate Business Plan (CBP) is responsible for translating the strategic direction of the Shire articulated within the SCP, into specific priorities and actions at an operational level. The CBP also draws together actions contained within the Long Term Financial Plan, Capital Works Programs and various informing strategies, and is reviewed annually in line with the budget process to ensure priorities are achievable and effectively timed. At the Ordinary Meeting of Council held 30 June 2016 Council adopted the Corporate Business Plan 2016-2020. Local Public Notice of the adoption of the reviewed plan was placed in the Broome Advertiser on 14 July 2016 and notices were placed on the Administration and Library noticeboards and on the website.

The CBP was amended to extend the plan to include the 2019/20 financial year and to incorporate the following. At the request of Councillors three new Actions were included:

1.2.1.8 Development of a design for a skate park.

2.5.1.4 Development of an Events Attraction Strategic Development Plan.

3.2.1.5 Purchase of key worker housing.

The CBP was also updated to indicate the following Actions which have been completed in 2015/16:

1.2.1.1 Develop Sport and Recreation Plan.

1.4.1.1 Investigate site selection and prepare master plan for relocation of motocross facility.

1.4.3.1 Develop accord with traditional owners to implement stage 1 of the Jetty to Jetty Project.

2.1.2.6 Develop subdivision and structure plan guidelines that incorporate water sensitive urban design.

2.3.2.1 Review of the State of Environment Report aligned with State Government's State of Environment Report.

2.3.2.2 Prepare a Coastal Vulnerability Study for the Broome town site (CVS 1).

2.3.2.4 Develop a district stormwater management strategy for the town site of Broome.

2.3.2.6 Prepare a Local Environmental Management Strategy.

2.5.1.1 Review and implement revised differential rate policy with the view to supporting Australia's North West, Broome Tourism Association and providing support for attracting and retaining major events to Broome.

3.3.3.1 Develop Economic Blueprint for the District.

It is further noted that Action 2.6.2.1 - Manage Shire asset renewals, in accordance with affordable asset management plans, is now covered under Strategy 2.6.3.

A full review of the Strategic Community Plan and Corporate Business Plan will be undertaken in 2016/17.

2015/16 Year in Review

This report summarises the Shire of Broome's progress during the 2015/16 financial year toward attaining the Goals, Outcomes and Strategies set out in the Shire's Strategic Community Plan 2015-2025.



Our People

The Shire of Broome aims to foster a community environment that is accessible, affordable, inclusive, healthy and safe. The following is a summary of progress made towards these Outcomes during 2015/16.

1.1 Effective Communication

Media and Promotions

The Shire of Broome uses a wide range of channels to inform the community of its activities, to consult the community and seek feedback, and to provide access to information. The Shire works proactively with print, electronic and online media outlets in Broome and further afield, both through news content and paid advertising, to keep the community and stakeholders up to date.

During 2015/16 extensive communications programs utilising advertising, newsletters, media releases, direct email, open days and public information sessions have been implemented for strategic projects such as the Broome Growth Plan, Chinatown Revitalisation Project and Chinatown Community Stakeholder Reference Group, Community Safety Plan and Community Safety Working Group, Cable Beach Development Strategy, Broome Youth Engagement Framework and Kimberley Regional Youth Strategy, Coastal Vulnerability Study, BRAC upgrade, Broome Cemetery Master Plan, Roebuck Bay Caravan Park development, Recreation Trails Master Plan, Regional Resource Recovery Park, Skuthorpe agricultural investment and Public Art Register.

The Shire of Broome has also actively promoted community and public programs and events such as the Community Sponsorship Program, Club Development Workshops, Broome Sport in Focus Week, National Youth Week, pre-cyclone rubbish collection, dog control and registration campaigns, Shire Council elections, Anzac Day, Broome Air Raid Anniversary, Australia Day, Christmas celebrations, Shinju Matsuri, Broome Recreation and Aquatic Centre, Broome Public Library and Broome Civic Centre programs and events; and public service announcements such as beach closures for jellyfish stings and crocodile sightings, minor and major roadworks projects such as the Dampier/Frederick Connection and Hamersley/Haas intersection upgrade, and wet season road closures.



Broome Shire President Ron Johnston in the media at Streeter's Jetty.

The Shire continues to use current and emergent communications technology with active and growing Facebook pages for the Shire of Broome, BRAC, Broome Civic Centre, Broome Public Library, and Club Development. These are updated regularly and are an effective way to disseminate information, as well as providing a forum for community members to ask questions and provide feedback.

A fortnightly Shire newsletter continues to be published in the Broome Advertiser newspaper, and an email newsletter is distributed to a growing database of subscribers each month.

The Shire of Broome website is updated regularly and is a reliable source of a broad range of information, with a new website launched in 2015/16.

The Shire of Broome continues to produce through a contractor an annual print and online directory that is provided free to households and businesses. This directory is an exhaustive source



Shire of Broome Lifeguards meet the local media.

of information including business and residential contact listings, emergency information and more. This is also a source of revenue for the Shire of Broome.

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

Community Sponsorship Program



Broome Men's Shed is one of the many community groups and events sponsored by the Shire of Broome.

Thirty one community groups received more than \$115,000 in funding in 2015/16 through the Shire of Broome Community Sponsorship Program and Energy Developments Limited (EDL) West Kimberley Community Donations. Council allocated \$24,800 of Shire funds and \$33,264 from the EDL West Kimberley Community Donations reserve as part of the annual community sponsorship program providing up to \$10,000 to a total of 11 organisations and activities.

A further 10 groups received a total of \$8,746 in ad-hoc funding (maximum of \$1000 each) from the Shire with a further three activities funded through LandCorp's Community Building Sponsorship which is administered by the Shire of Broome, for activities occurring in Broome North.

A variety of exciting and innovative community programs and events were funded in 2015/16 including the Rhythm and Ride Rodeo and Country Music Showcase, Kimberley Pilbara Cattlemen's Association Innovation Forum, Incredible Edible Broome's Edible Gardens project and Bangarra Dance Theatre's Rekindling Program.

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

Stakeholder Collaboration

The Shire of Broome has participated in a number of interagency and network groups including the Homelessness Action Group, Broome Youth Coordinators Network, West Kimberley Youth Sector and Broome Alcohol Management Group. Participation in these networks ensures the Shire of Broome is well connected to community interest and maintains working relationships with community organisations and government agencies.

Information Technology

Funds were assigned in the 2015/16 budget to upgrade the Shire of Broome website. Last updated in 2006, the site was outdated and not aligned with Council requirements in relation to aesthetics, branding, engagement and the currency of content. A new website has been developed utilising current technologies and content management tools. This ensures that approved content is regularly updated improving the organisation's capability to disseminate information to the community.

1.2 Affordable services and initiatives to satisfy community needs

Civic Events

In 2015/16 the Shire of Broome hosted visits by dignitaries including Japanese Ambassador to Australia, Hon. Sumio Kusaka, and representatives of the Japanese Embassy in Canberra and Consulate in Perth; US Consul General, Cynthia Griffin; and His Excellency Apostolic Nuncio to Australia, Archbishop Adolfo Tito Yllana, on the occasion of the Catholic Diocese of Broome Golden Jubilee.

Other civic events hosted by the Shire of Broome in 2015/16 included the regional launch of National Youth Week 2016, Premier's Australia Day Active Citizenship Awards, Broome Independent Public Schools Cluster Board sundowner, Australian Citizenship Ceremonies, and the Shire of Broome Seniors' Christmas Party.



Japanese Ambassador to Australia, the Hon. Sumio Kusaka, was hosted by the Shire of Broome.

Our People



Australian Citizenship Ceremony at Town Beach on Australia Day 2016.

Welcoming New Citizens

The Shire of Broome conducted four Citizenship Ceremonies in 2015/16 at which 50 people became Australian Citizens. The participants were from countries including New Zealand, Philippines, UK, Canada, Germany, India, South Africa, France, Finland, Nepal, Solomon Islands and Colombia. The new citizens pledged their loyalty to Australia in the ceremonies conducted by the Broome Shire President in front of their friends, family and community members. They are presented with a symbolic memento to mark the occasion.

In addition, a welcome was conducted by the Yawuru community and a certificate was presented on behalf of the Traditional Owners. The Shire encourages people of all cultures to join the Broome community and share their heritage.

Youth

WA Youth Minister, Tony Simpson, launched the Kimberley Regional Group's Strategic Framework for Young People as part of National Youth Week celebrations in Broome in April 2016. The Kimberley Regional Group was awarded funding by the WA Department of Local Government and Communities and Regional Development Australia Kimberley to develop the Kimberley Regional Youth Strategy which highlights key priorities for local governments and stakeholders in the areas of health and wellbeing, partnerships, coordination and advocacy, education training and employment, crime and safety as well as the built and natural environment. The Kimberley Regional Youth Strategy informed the development of youth frameworks for each local government area in the Kimberley.

The Shire of Broome's It Starts With You - Youth Framework was launched in April 2016 and formalises the Shire's commitment to young people and acknowledges young peoples' right to have a say in the issues that matter to them. Consultation was undertaken with young people and the youth sector in 2015 for the development of the framework. Analyses of existing consultation findings and research provided an informed place to start the consultation

process. Equipped with this information, the Shire consulted key stakeholders including youth service providers, community members, families and young people. Consultation methods were designed to be interactive and stimulate discussion and included workshops, forums, and brainstorming. The Framework will assist the Shire to plan and develop services and facilities which best meet the needs of the community and will ensure resources are used effectively. The framework outlines strategies for the Shire of Broome to work with community partners, key stakeholders and young people to achieve better outcomes for Broome youth.

A significant outcome of the Youth Framework is the establishment of a Youth Advisory Council (YAC) for the Shire of Broome. Twelve members were appointed to the YAC in March 2016 and since their appointment, members have participated in National Youth Week activities, assisted the Lions Club with a community BBQ and provided input to the development of a Recreation Trails Master Plan. The YAC will participate in decision making by providing advice to Council and will be consulted as a key stakeholder having input into major projects that affect young people. The YAC will continue to meet bi-monthly and will receive resources and support to plan and implement youth projects, events and activities that address the strategic priorities contained in the Youth Framework.



The new Shire of Broome Youth Advisory Council.

National Youth Week 2016



The Kimberley Regional Youth Strategy is launched in Broome during National Youth Week 2016.

Broome was selected by the Department of Local Government and Communities to host the regional launch of National Youth Week in April 2016. The launch at Cable Beach was attended by the Minister for Youth Tony Simpson, National Youth Week Young Ambassador Georgie Carey, WA Young Person of the Year Preston Colbung and over 200 young people and their families from Broome and the Kimberley. The Shire of Broome worked with young people and service providers Headspace, KAMS, Red Cross, Local Drug Action Group, Broome Youth and Families Hub, Life Without Barriers and Aarnja on an exciting program of events for National Youth Week including a skate competition, young leaders workshop, health and physical activities, outdoor movies and craft, and mural painting. Youth Week activities concluded with the inaugural Broome Youth Week Awards which recognised outstanding achievements by young people and groups.

Community Development

Skate and youth facility designer Convic was invited to Broome to consult with users and assess the condition of the Broome Skate Park at BRAC. The recommendations informed a successful funding submission for \$20,000 to the Durack Stronger Communities Fund to undertake removal and remediation of dangerous rock at the rear of the ramps.

The Shire has committed to undertake a review of the not-for-profit sector in Broome to determine the needs of local organisations with regard to accommodation and to develop and implement strategies for capacity building to increase sustainability. This will ensure Broome's community-based not-for-profit sector is equipped to be sustainable, well resourced and able to provide economic, social, cultural and environmental benefits that contribute to the health and well-being of the community. A steering committee has been formed and the Shire will work with the steering committee and not-for-profit organisations in late 2016 to lead a study that will determine capacity and accommodation needs.

The Shire of Broome, in collaboration with the Department of Aboriginal Affairs, undertook feasibility and business planning



Public art installed at Cable Beach for Shinju Matsuri's View to Asia exhibition.

for the development of an itinerant camping facility in Broome. Consultation was undertaken with the community and key stakeholders regarding a proposed camping facility on Broome Road and a draft report will be submitted to the Shire in July 2016.

Broome Public Library

The Broome Public Library hosted more than 97,800 visitors during 2015/16 and issued more than 121,000 books and e-books. The Story Time, Build-Up Lego Club and Rhyme Time programs were favourites with young families, while over 22,000 visitors took advantage of the free wifi available at the Library.

The Shire of Broome continued to host the Regional Activity Plan on behalf of the Kimberley and has been working with the WA Local Government Association and Public Libraries Australia to develop a vision for the future of public libraries in WA. The Broome Public Library hosted the State Library's Book Cubby, which was very popular with local children. The Book Cubby is an interactive exhibition of books. The library was also thrilled to host the Broome Schools' Poetry Slam contest in 2015.



Broome Public Library staff celebrate Christmas.

Our People



The Broome Civic Centre has become the town's premier events and function venue.

Broome Civic Centre

The Civic Centre was utilised as a venue for hire with over 20,000 people attending events at the Centre including:

- Civic events – Youth Week, Catholic Diocese 50th Jubilee Mass, Community Breakfast with the Prime Minister;
- Arts and entertainment – YohFest, Sun Studios Annual Dance Concert; Shinju Matsuri Festival;
- Private and community functions – weddings, birthday celebrations, NAIDOC Ball, White Ribbon Gala, Creating Communities;
- Meetings/conferences – KLC, Woodside, Business Breakfast Series, Kimberley Economic Development Forum;

The Broome Civic Centre delivered a diverse program of live shows including:

- Marrugeku's Cut the Sky;
- Jazzamatazz;
- Everything Must Go;
- Hachiko;
- Harmony Day – Colourfest Film Festival;
- Educating Rita;
- Melbourne International Comedy Festival Roadshow;
- Theatre Kimberley's Staircase to the Moon;
- Musica Viva Fiddlesticks;
- Barking Gecko Ensembles.

The program of live shows drew 2,209 paying audience members. With a dedicated website and online ticketing system, patrons are able to access ticketing information 24 hours a day with 72 per cent pre-purchasing tickets online.

The Shire invested \$40,000 in portable hanging panels which now enables the venue to put on large-scale arts events. The panels were used for the first time at the 2015 Shinju Matsuri Festival which allowed a record number of entries and provided a professional space for the Acquisitive Arts Awards.

Events

Support was provided to a range of significant events on the Broome calendar including:

- Kyle Andrews Cable Beach Walk;
- Staircase to the Moon Night Markets;
- Master Builders Awards;
- Dragon Boat Racing;
- Anzac Day service;
- Broome Relay for Life;
- Kullarri NAIDOC Festival.

The Shire provided funding and in-kind support to Broome's much-loved Shinju Matsuri Festival, including supporting the inaugural Shinju Fringe Festival and Yum Cha event.

The Shire again presented the highly successful Australia Day celebrations and fireworks at Town Beach and worked with SpiritFM to deliver the 2015 Chinatown Christmas Street Party, which was unfortunately cancelled due to inclement weather.

The Shire of Broome undertook a review of the Events Policy to streamline the approvals process, provide greater clarity regarding required application timelines, to better reflect the varying requirements of different types of events in terms of approval, timelines, infrastructure, public impacts such as road or boat ramp closures, and risk management. The revised event policy makes it easier for community groups and event organisers to stage events in Broome, helping to encourage and attract more vibrant and exciting events to the region.



The Shire of Broome was again pleased to support the Kullarri NAIDOC Festival.



Broome Sport in Focus Week at Broome Recreation and Aquatic Centre.

Sport and Recreation

The Sport, Recreation and Leisure Plan was developed by CCS Strategic following extensive consultation with the community, local sporting clubs and associations, Shire staff and local industry professionals. The comprehensive document was developed along with a specific Broome Recreation and Aquatic Centre Master Plan. These documents fed into the Framework for the Development of Sport and Recreation Facilities 2016-2025, which was received by Council in 2015.

The Framework for the Development of Sport and Recreation Facilities 2016-2025 was developed as a strategy that will guide Council's investment in sport and recreation for the next 10 years. This framework was based on the work and recommendations that were derived from the Sport, Recreation and Leisure Plan. Projects that were nominated as priorities have been completed, such as the Haynes Oval lighting replacement, and several others have been successful in receiving funding and are soon to commence including the BRAC Aquatic Upgrade and the BRAC hardcourt resurfacing.

A Recreation Trails Master Plan is also being developed for the Broome town site. The plan outlines a long-term strategy for the development of pathways, tracks and trails. The document identifies potential destination nodes to develop recreational activities and includes a marketing plan with strategies to maximise usage. It will be presented to Council in July 2016.

The Club Development Officer Scheme is a partnership with the WA Department of Sport and Recreation (DSR). The Club Development Officer will once again be funded through DSR for the 2016/17 financial year.

One of the key priorities of the Club Development Program is the management of the KidSport program. KidSport enables eligible children aged 5-18 to participate in sport and recreation activities. In the 2015/16 financial year \$51,188 worth of applications were processed allowing 536 children to participate in local sporting programs.

The Club Development Survey Report was developed in January 2016 and details key statistics on 83 per cent of registered sporting clubs operating in Broome. As a result of the recommendations nine workshops were held to assist local sporting club volunteers. Thirty one clubs were represented and 17 external organisations involved. A total of 178 people attended between February and June 2016.

BRAC Renewal

The BRAC Aquatic Upgrade was successful in receiving funds through the Department of Sport and Recreation and the Developer Contribution Scheme. The planning and design phase was completed prior to 30 June 2015 with the \$3.3 million upgrade to commence early in the new financial year. The project will ensure compliance with current standards and increase efficiencies for water sanitation and the general operation of the aquatic facility, providing financial, environmental and health benefits to the Broome community. The project will see replacement of the brick-paved concourse, renewing swimming pool bulkheads and tiling, resurfacing the pebblecrete children's lagoon, improving pool lighting, fully rebuilding the plant room and replacing the plant and filtration systems.



The BRAC aquatic facility will undergo a \$3.3 million upgrade.

Our People

1.3 Accessible and safe community spaces



WA Premier Colin Barnett announces Lotterywest funding for the new Community Storage Shed.

Community Storage Shed

A suitable site was identified at the drainage reserve adjacent to BRAC and approval was gained from the Department of Lands for a change of use for this reserve to include a Community Storage Facility. Architectural drawings for the facility were completed and tenders were called in May 2016 for the construction of the facility, however it was resolved not to accept any tender for this project at the Special Meeting of Council held 10 June 2016. Lotterywest has confirmed that the \$250,000 grant for construction can be carried over to next financial year.

Test pits have been excavated at the site to confirm ground conditions. The project is to be re-scoped and re-submitted to the market in late July, with construction commencing in September 2016.



A new access ramp at Cable Beach completed in 2016.

Access and Inclusion

The Access and Inclusion Advisory Committee (AIAC) met three times during the year to oversee the implementation of the Shire's Disability Access and Inclusion Plan (DAIP) to ensure Council meets its obligations under the Disability Services Act 2004. The purpose of the plan is to identify barriers to access and propose solutions to ensure that people with disabilities have equality of access to services and facilities. The plan is reviewed annually by the Committee and a progress report was provided to the Disability Services Commission in June 2016 for the 2015/16 reporting period which demonstrated the Shire is meeting its obligations in implementing the plan. The Shire of Broome has undertaken a number of initiatives to enhance access and inclusion during 2015/16 and has made some notable achievements in this area including:

- Upgrades to ACROD parking, access ramps and paths at Cable Beach;
- Ramp upgrade to address drop off due to change in pavement level in Chinatown;
- Lighting of ACROD bays for night use at the Broome Civic Centre and Shire Admin building;
- Workshop with staff and AIAC members to identify strategies for the Shire to become a disability friendly workplace;
- In partnership with local service providers the Shire supported a range of events during Disability Awareness Week.

1. 4 Participation in recreational and leisure activity

Broome Recreation and Aquatic Centre

While BRAC aquatic is closed for upgrades, BRAC management will work closely with industry experts to investigate ways to improve the financial performance and viability of the centre. The process will identify gaps in the sport and leisure market in Broome and the wider region to determine where improvements can be made to better cater for user and community needs.



Winners of the 2015 BRAC 2 Beach Fun Run.

Motorsports Precinct

The Shire of Broome in conjunction with Cardno and AECOM finalised the site selection and Master Plan for the Motorsports Relocation Project. The project involved a desktop investigation into identification of a new future motorsports precinct for the Broome town site. The site identified in the desktop study was then put through a number of on-site technical investigations including cultural heritage and environmental surveys to determine the appropriateness moving forward. The new precinct site at the corner of Broome Rd and Cape Leveque Rd will now provide a new site should existing motorsports uses wishing to relocate. The site selection forms part of the Shire of Broome planning documentation and the inclusion of a detailed business case is hoped to enable sporting organisations to apply for funding opportunities when they arise.



Shire of Broome Lifeguards Ric Cockman and Chelsea Lane on Cable Beach.

Cable Beach Lifeguard Service

Lifeguard Services on Cable Beach were continued throughout the 2015/16 financial year during the dry season months. As of 1 July 2016, Surf Life Saving WA will take on responsibility for the beach lifeguard service under a three-year contract issued by the Shire of Broome. The Shire has invested in this contract to ensure visitors to Cable Beach can swim in a supervised environment. Surf Life Saving WA will now work in partnership with the Broome Surf Life Saving Club to ensure the beach is patrolled every day from Good Friday until the last Sunday in October with patrol times continuing to be 9am to 4.30pm.

Jetty to Jetty Project

Nyamba Buru Yawuru in partnership with the Shire of Broome has delivered the Jetty to Jetty Heritage Walking Trail. The trail incorporates a number of locations from Chinatown to the Old Jetty and people wishing to learn more can download an app developed by Nyamba Buru Yawuru to hear about the significance of each location.

Recycled Water Irrigation

A memorandum of understanding for recycled water from the Broome South Wastewater Treatment Plant has been negotiated with Water Corporation. Council endorsed the Draft Water Supply Agreement on 10 June 2016. This document will now be engrossed by Water Corporation and the Shire President and CEO. The agreement ensures the continued provision of treated water for the next 15 years for the Shire's sport and recreation facilities, resulting in a significant cost saving over scheme water.

Our People

1.5 A healthy and safe environment



Upgraded street lighting on Anne St in Old Broome.

Urban Renewal

The Shire entered into a Memorandum of Understanding with the Housing Authority to undertake an urban renewal process in three precincts with high Housing Authority presence, identified as the Dora St, Anne St and Cable Beach precincts. The urban renewal initiative will include planning and community engagement processes to deliver urban renewal in Broome, including an urban renewal strategy and associated concept plans. A Community and Stakeholder Reference Group has been established to provide direct input to the Broome Urban Renewal Strategy at key stages of the development, as well as to support, guide and champion broader community participation.



Broome Shire President, Ron Johnston, and Police District Supt, Allan Adams.

Community Safety

A Community Safety Working Group was established by Council in November 2015 to inform the development of a Community Safety Plan. The Plan will guide the actions undertaken by the Shire in partnership with community agencies and the community to reduce the risk of crime and anti-social behaviour and improve community perceptions of safety, providing the foundation for a safe and thriving community.

A draft Community Safety Plan has been developed in consultation with the Community Safety Working Group which consists of representatives from key stakeholders including Police, Yawuru, Broome Chamber of Commerce, Kullarri Patrol, Broome Youth and Families Hub, Department of Justice and Broome Visitor Centre. The working group has been the conduit to the wider community using their networks to gain feedback to inform the draft plan. The draft Community Safety Plan will be presented to Council for endorsement to be advertised for public comment in late 2016..



Shire of Broome Lifeguards check for marine stingers at Cable Beach.

Environmental Health

The Shire's Environmental Health Team monitors the environment, both natural and built, to promote, protect and maintain the health and wellbeing of our communities. Environmental Health carries out routine auditing and inspections of registered premises on a frequency determined by risk under the relevant legislation. The Shire has currently:

- 244 food premises;
- 56 public buildings;
- 18 caravan parks;
- 3 overflow facilities;
- 10 lodging houses;
- 102 pools with 41 aquatic facilities;
- 10 hairdressing premises;
- 11 beauty therapy premises;
- 26 drinking water sites;
- 3 reuse sites; and
- 9 licenced trading activities.

There was a vacant position in the Environmental Health Team for close to 10 months of the reporting year, and during this time 52 per cent of scheduled inspections were completed.

Along with inspections and regulation requirements for registered premises, the Environmental Health Team assess applications for:

- onsite waste water disposal;
- events;
- developments;
- buildings; and
- trading licenses.

Environmental Health is responsible for responding to and investigating infectious and communicable diseases, noise and nuisance complaints, water issues, air pollution and health concerns associated with housing.

During the year the team was instrumental in managing a Legionella outbreak located on an international vessel in Broome waters. This required a coordinated multi organisational approach to pinpoint the cause and coordinate actions to contain the vessel and rectify the issue. Environmental Health also worked at establishing a relationship with the Department of Housing and Shire Rangers to manage unsightly properties in town and has started to achieve success in this area.

Mosquito Management Strategy

The new Mosquito Management Strategy was adopted by Council and guides how the Environmental Health Team delivers outcomes to minimise, protect, promote and maintain the health and wellbeing of the community. Throughout the year officers collect fortnightly blood samples from sentinel chicken flocks, undertake mosquito trapping, conduct visual surveillance for mosquito larvae and interview persons who have contracted a mosquito-borne disease. The monitoring data, together with weather and environmental information, is used to assess what control programs will be applied, such as larviciding in tanks, drains and other areas of pooling water.

Environmental Health worked alongside the Department of Health and obtained grant funding to launch and implement the 'Fight the Bite' program. The program engages the community to spread the key message about protecting yourself from mosquitos. The campaign also opened pathways to work with local organisations such as Nirrumbuk Aboriginal Corporation to deliver these messages to the Shire's remote communities.

Throughout the year officers assisted with the Department of Health research projects through CO₂ trapping and waste water audits.

Policies and Local Planning Policies

Local Planning Policies (LPPs) perform an important role in guiding development within the Shire of Broome. In 2015/16 the following LPPs were adopted:

- Minor Development;
- Non-Conforming Use Register; and
- Shire of Broome Structure Plan and Subdivision Standards.

Further, the Shire undertook a review of all its existing LPPs and corporate policies following the gazettal of Local Planning Scheme No 6 (LPS6). In total, 32 policies were reviewed and amendments were finalised so that LPPs are relevant to the new Scheme.

A broader review of the Shire's LPPs, corporate policies and local laws (for which the Development Services Directorate has responsibility) commenced in March 2016. This review is looking at the currency of these regulatory documents and their appropriateness in light of current economic conditions. The Shire's Development Services Directorate is progressing with this review and any necessary amendments to the regulatory documents that are required. This review and its implementation will progress into the 2016/17 financial year.

The Development Services section has also worked toward a policy regarding consultation on Aboriginal Heritage. As the Shire performs a number of functions which can interact with Aboriginal cultural heritage, it is recognised that a policy is required to guide how and when the Shire would consult with key stakeholders. Preparation of a policy will ensure Aboriginal cultural heritage is taken into account when planning and undertaking work.

Our People



Shire of Broome Rangers visit St Mary's College as part of educating the community.

Ranger Services

Ranger Services are responsible for the administration and enforcement of a number of Acts and Local Laws. These include:

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

The Shire of Broome employs four full time Rangers and a Ranger Coordinator. This provides for a seven day per week coverage of 12 hours per day on weekdays (6am to 6pm) and eight hours over a 10 hour period (7am to 5pm) on weekends.

In 2015/16 staff worked towards improving the already high standard of customer service. A key focus has been adjustments to procedures, specifically the computer-based customer service system, to ensure greater accountability.

A call centre was trialled to take after-hours and weekend calls, but this was discontinued as out-of-town call centre operators could not provide the same level of service as local Rangers in handling customer calls.

Training is critical to ensure Broome has the benefit of competent and dedicated Rangers and in 2015/16 Rangers trained in: Chemical Capture Techniques, Municipal Law refreshers, Fire Mitigation Management, and Emergency Management, along with internal training in computer systems and internal processes.

Animal Control

Animal control forms a significant part of Ranger duties and in 2015/16 there were 126 dog attacks investigated. To reduce dog attacks, Rangers focussed on reducing the overall level of unregistered dogs and irresponsible ownership.

The Shire continues to build effective partnerships with external organisations including Nirrumbuk Aboriginal Corporation and SAFE.

In October a trial 'Dogtober' program was introduced with Rangers going door-to-door to educate owners and survey unregistered pet ownership. While the program showed promise, due to resourcing issues it was discontinued.

Instead Rangers targeted known trouble areas, with successes including the seizure of 23 dogs from one house. Early morning operations often resulted in 10 or more unregistered dogs being captured while wandering at large. It is anticipated that this will be enhanced in the 2016/17 with the purchase of a dart rifle that has greater range than the current dart pistol. Overall 687 dogs were impounded for the year.

The management of cats was also a focus with 231 captured. This was mainly achieved by the use of traps, often placed on private property in response to complaints by residents. The introduction of mandatory registration and microchipping ensures that registered domesticated cats are returned to their owners.

Parking

The regulation of parking remains a key target area for Rangers, with 992 parking infringements and 517 warnings issued. Areas with high levels of non compliance were targeted with increased patrols. Efforts to educate the public on the laws applicable to different areas have increased, such as through the installation of 'no parking' signs on the Broome Hospital road verges. This has led to a dramatic increase in compliance in this area.

Bush Fire Management

Ensuring property owners comply with the Bush Fires Act 1954 has been a key area for Rangers. Labour-intensive fire break inspections have been conducted and Rangers continue to work with property owners to ensure community safety.

Developing and maintaining key partnerships with volunteer organisations and State Government agencies such as the Department of Fire and Emergency Services and the Department of Parks and Wildlife allows Rangers to maximise resources to ensure the safety of the community.

The process has started to replace aging Broome Volunteer Bush Fire Brigade facilities with a single dedicated facility. The new facility will be constructed in 2016/17 and it is anticipated volunteer numbers will increase as a result.

Emergency Services

The Shire has established two Committees with a role in emergency management:

the Local Emergency Management Committee (LEMC) under the Emergency Management Act 2005; and the Bush Fire Advisory Committee (BFAC) under the Bush Fires Act 1954.

Both Committees met quarterly and were chaired by Broome Shire Councillor Chris Mitchell. The Terms of Reference for both Committees were reviewed in October 2015, and nominations for members went out in December 2015. The reviewed Terms of Reference and members list were presented to Council and adopted at the 25 February 2016 Ordinary Meeting of Council.



Local Emergency Management Committee members view the CHC rescue helicopter.

Our Place

The Shire of Broome aims to help protect the natural and built environment and cultural heritage of Broome while recognising the unique sense of the place. The following is a summary of progress made towards these Outcomes during 2015/16.

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



The connection of Dampier Tce and Frederick St in Chinatown is opened to traffic.

Chinatown Revitalisation Project

After 12 months of consistent effort the Financial Assistance Agreement for the Chinatown Revitalisation Project has been signed and \$10 million has been made available from the State Government to revitalise the Chinatown Precinct. The Business Case put forward to the Department of Regional Development included 10 discrete projects which were evaluated to provide the greatest level of stimulation and growth. These projects included some feasibility projects, construction projects and funded programs. The Revitalisation Project is a joint partnership between the Shire of Broome, LandCorp and the Kimberley Development Commission.

A Community Reference Group was established to ensure consultation and communication was undertaken in a clear and transparent manner from the beginning.

Old Broome Development

The popular playground at Town Beach underwent a series of upgrades to make the playground safer and more attractive including installing new soft-fall surfaces, new play equipment, perimeter fencing to protect children from the neighbouring carpark, new shade sails, seating and garden beds. Two big Neem trees were removed as part of the work and have been replaced by the new shade sails and new native plants incorporated into the garden beds.



The popular playground at Town Beach underwent upgrades in 2015/16.

Development Contributions Plans

In November 2015 Council initiated an Amendment to Local Planning Scheme No. 6 to enable the preparation of a Development Contributions Plan for new residential subdivisions in Broome. Development Contributions Plans are adopted under the Local Planning Scheme and authorise the local government to collect monetary contributions from developers, which will help fund key capital projects within the Broome town site. Contributions are calculated using the principle of 'the need and the nexus', where developers pay a proportionate share of the cost according to the need for infrastructure that is generated by the residents who will live in their development.

To support progress of this Scheme Amendment, the Strategic Planning section is currently preparing a draft Development Contributions Plan for community and hard infrastructure. To help identify future needs for hard infrastructure, two technical studies were undertaken this year:

- District Traffic Study to understand what transport improvements will be required as a result of predicted population growth; and
- Feasibility study to examine options to provide a fit-for-purpose water supply to irrigate Public Open Space.

The Traffic Study and Fit-for-Purpose Water Supply Study were funded by the voluntary contribution made by LandCorp for the initial stages of the Broome North development.

It is anticipated that the Development Contributions Plan will be presented to Council for public advertising in 2016/17.

Amendments to LPS6

The first local planning scheme to cover the whole of the Shire of Broome came into effect on 30 January 2015 and now guides development throughout the Shire. Since the gazettal of LPS6, the Shire has considered the following Scheme Amendments:

- Amendment No 1 – Broome North Local Centre – this amendment sought to alter some of the land zones around the future Broome North local centre. The scheme amendment was advertised for 42 days and Council adopted the scheme at the November 2015 meeting. The amendment has been forwarded to the WA Planning Commission and it is anticipated that gazettal should occur shortly.
- Amendment No 2 – Development Contributions Plan – this amendment is a complex amendment and proposes to amend the Scheme to give effect to the Development Contributions Plan. Council has resolved to prepare the scheme amendment. This amendment will progress in 2016/17 once the Developer Contributions Plan has been prepared.

- Amendment No 3 – Additional Use Health and Wellbeing Retreat Lot 222 Lullfitz Drive - This amendment will allow an additional use, a health and wellbeing retreat, to be undertaken on the property. This amendment has been advertised for public comment and will be presented to Council for final adoption early in 2016/17.
- Amendment No 4 – Basic Amendment Deemed Provisions - This amendment removes scheme provisions and definitions that are superseded by the Planning and Development (Local Planning Schemes) Regulations 2015 which came into effect on 19 October 2015. The amendment has been forwarded to the Department of Planning and should be gazetted early in 2016/17.

State Reforms

In the past financial year the State introduced a number of reforms to the planning system, including:

- Planning and Development (Local Planning Schemes) Regulations 2015 (LPS Regulations); and
- Introduction of the Planning in Bushfire Prone Areas policy framework (Bushfire Policy).

LPS Regulations

The LPS Regulations were gazetted on 19 October 2015. The gazettal of the LPS Regulations has resulted in changes to the Shire's LPS6 through the introduction of 'deemed provisions'. The 'deemed provisions' and other provisions within the LPS Regulations have changed the assessment/approval processes for Structure Plans, Scheme Amendments and the Scheme preparation and review processes.

The LPS Regulations have also introduced Model Provisions which incorporate standardised land use zones and definitions. The Shire will have to amend LPS6 so it is consistent with the land use zones and definitions within the Model Provisions by 2020.

Layout Plan Reviews

This year, the Shire of Broome provided comments on proposed amendments to the Ardyaloon Layout Plan.

Broome North Infrastructure Contribution Agreement

The Shire finalised negotiations with LandCorp which led to the execution of the Broome North Infrastructure Contribution Agreement. The Contribution Agreement has resulted in either contributions or in-kind works being undertaken to allow for funding and delivery of key capital projects including shared path networks, BRAC Aquatic Upgrades, scoping and contributions towards the motocross relocation and funding towards preparation of Development Contributions Plans.

Our Place

Bush Fire Policy

The State Government has now designated areas within WA (incorporating large areas within the Shire of Broome) as bush fire prone. The order declaring the portions of the State bush fire prone was made in tandem with the introduction of the LPS Regulations and the new State Planning Policy 3.7 Planning in Bushfire Prone Areas. These reforms came into effect on 8 December 2015.

These reforms now require applicants to prepare a Bushfire Attack Level (BAL) Assessment by a Level 1 BAL Assessor for properties declared bush fire prone before the Shire can determine a development application. Also, for vulnerable or high-risk land use proposals the reforms require the preparation of a Bushfire Management Plan and Emergency Evacuation Plan by a Level 2 or Level 3 Bushfire Planning Practitioner.

Planning Services made submissions on the following State Reforms in 2015/16, to ensure that local conditions are recognised and incorporated into the State policy framework:

- Liveable Neighbourhoods; and
- Land Administration Amendment Bill 2016 and Rangelands Tenure Reform.

Development Determinations

Planning Services assessed and determined the following in 2015/16:

- 108 Development Applications;
- 9 Public Works referrals;
- 5 Section 40 Liquor Applications; and
- 15 Subdivision/Amalgamation Applications.

The total value of Development Applications approved this financial year was \$33,984,803 which is \$25.7 million less than the total value of Development Applications from last financial year. The reduction in the overall development value from last financial year could be attributed to the following:

- the slow-down in local building activity;
- the reduction in the amount of development applications received due to the exemptions created through the gazettal of LPS6 and the minor development policy;
- a high valued development application (\$16 million) was approved in the 2014/15 financial year.

The Statutory Planning section has continued to improve average processing times for Development Applications. The average processing times for Development Applications in the 2013/14 was 69 days. This decreased to 31 days in 2014/15 and has further decreased to 22 days 2015/16.

2.2 A built environment that reflects arid tropical climate design principles and historical built form

Cable Beach Development Strategy

This year the Strategic Planning Section prepared a Development Strategy for the Cable Beach Tourist Precinct, to supersede the Cable Beach Development Plan 2003. Between May and July 2015 officers undertook an extensive community engagement process with 128 online surveys submitted, one-on-one meetings with landowners and stakeholders in the precinct, a photo contest and a 'Come and Chat' morning at the Cable Beach foreshore. The feedback received through the preliminary community engagement informed the preparation of the draft Cable Beach Development Strategy, which was adopted by Council in April 2016 for public advertising. Public advertising concluded on 1 June 2016 and it is anticipated the final Strategy will be presented to Council early in 2016/17.

The Strategy has two components – 'Development Control' provisions which will be used by staff and Council when assessing Development Applications and subdivision referrals, and 'Shire of Broome Direction' which will guide the Shire in undertaking strategic planning, future projects and investment in infrastructure in the precinct as an 'Informing Strategy' under the Shire's Integrated Planning and Reporting Framework. Investment in the public realm will further be guided by a Concept Plan which proposes project ideas on and around the Cable Beach foreshore.

Coastal Vulnerability Study and Coastal Hazard Risk Management and Adaptation Plan

This year Council formally received a Coastal Vulnerability Study (CVS) for the Broome town site, which articulated the combined potential impacts of storm surge, coastal inundation, tidal movement, shoreline stability, stormwater drainage and the interactions of surface and groundwater on the town site of Broome. The final CVS report was the culmination of over two years of research and collated a number of models which incorporated climate change assumptions as accepted by the WA Planning Commission to address potential impacts of increased severe weather events and sea level rise.

In accordance with State Planning Policy 2.6 – State Coastal Planning Policy, the Shire is required to prepare a Coastal Hazard Risk Management and Adaptation Plan (CHRMAP) for portions of the town site shown in the CVS to be at risk from coastal inundation and/or coastal erosion over a 100 year period. The CHRMAP will identify and consider various options to avoid, retreat from, accommodate, or mitigate these risks. The Shire received a \$50,000 grant from the Department of Planning to prepare the CHRMAP.

In June 2016 Council received a Community Engagement Strategy which outlines how the public will be encouraged to participate in the development of the CHRMAP, by identifying the values of various coastal assets, informing the tolerance of the identified coastal hazard risks, identifying potential adaptation options to address the risks and indicating the level of support for these options. It is anticipated that a draft CHRMAP will be presented to Council in early 2017. The Strategic Planning section is also in the process of amending LPS6 to include a 'Coastal Hazard Risk' Special Control Area, which identifies where the provisions of the CHRMAP will apply.

Building Services

There has been a slight reduction in building applications received in 2015/16 compared to the previous year. While it was a relatively small reduction in overall numbers the most noticeable difference was a drop in new housing and commercial activity. This downturn is a general reflection of the economic slowdown experienced by the building industry in Broome in the past year.

Despite this, applications for new dwellings were received, including strong numbers for dwelling additions, swimming pools, sheds, carports and other associated minor works.

New residential and associated construction is still occurring in both Broome North and Roebuck Estate, with the majority in Broome North. Cable Beach also had a small number of new housing constructed.

The figures for 2015/16 were consistent with 2014/15 and marginally higher for dwelling additions, outbuildings, swimming pools and other associated minor building works. These figures indicate that local community confidence is still high with homeowners keen to undertake these types of building works.

Commercial building activity is down from the previous year but is still occurring in the Broome region. Several larger commercial projects completed included the Royal Flying Doctor Service complex and another aircraft hangar building at Broome International Airport.

Other commercial projects that have been approved and are close to completion include a new Toyota showroom/service centre and a two-storey office and warehouse complex, both located close to the town business centre and airport precinct.

A small number of commercial projects have also been completed on the Dampier Peninsula including new offices at Ardyaloon and trade skills centres at Lombadina and Beagle Bay.

The Shire has again undertaken a significant number of pool fencing inspections for existing pools required under the mandatory four-yearly inspection program along with inspections of pool fencing of new swimming pools. The Shire has achieved an increase in compliant pool fencing along with being able to provide pool owners with better information about their obligations under the legislative requirements for pool fencing.

BUILDING PERMITS ISSUED	2012/13	2013/14	2014/15	2015/16
Single Dwellings	240	113	91	78
Group Dwellings	17	2	0	0
Additions	17	21	24	14
Outbuildings	72	94	99	126
Commercial	29	29	17	24
Industrial	4	8	2	3
Pools	84	90	86	89
Tourist	3	3	0	1
Fences	63	43	49	25
Public Nature	9	4	5	4
Demolition	17	7	16	5
TOTAL	562	417	389	369

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

State of the Environment Report and Environmental Management Plan

In March 2016 Council adopted a State of the Environment (SOE) Report and Environmental Management Plan as an 'Informing Strategy' under the Integrated Planning and Reporting Framework.

The Shire received \$70,000 of grant funding from Rangelands NRM to review and update the previous SOE Report, which was prepared for the Broome town site in 2000. The SOE Report uses a 'Pressure-State-Response' Framework and a series of environmental indicators to quantify and manage the impacts of human activities on the environment. The indicators in the SOE Report will be used as a benchmark to track the condition of the environment over time. The Environmental Management Plan forms Part 2 of the SOE Report and identifies the strategic and operational environmental actions that are the direct responsibility of the Shire. This provides guidance to Council and to the community about the Shire's role in environmental management.

Coastal Park Governance

Yawuru Park Council

The Yawuru Park Council (YPC) has been formed in accordance with the two Yawuru Indigenous Land Use Agreements (ILUAs) and is comprised of Yawuru Registered Native Title Body Corporate/Nyamba Buru Yawuru Representatives, delegates from the Department of Parks and Wildlife (DPaW) and Shire of Broome representatives. Through the YPC, these three organisations are responsible for jointly managing land within the Yawuru Conservation Estate in accordance with the ILUAs.

The following table outlines the four land/sea management areas within the Conservation Estate, including the bodies with direct management responsibility for each area:

Conservation Estate Area	Management responsibility
Minyirr Buru (Town Site Areas)	Yawuru and the Shire
Cable Beach Intertidal Zone (located approximately 600 meters north of the rocks at Cable Beach) (Intertidal Zone)	Yawuru, the Shire and DPaW
Birragun (Out of town Areas)	Yawuru and DPaW
Nagulagun (Marine Park Areas)	Yawuru and DPaW

In 2015/16 financial year, the YPC met on 15 July 2015 and 25 February 2016.

A YPC Working Group and YPC Senior Officers Group have been established to support the YPC and the ongoing management of the jointly managed land. These groups meet more frequently to progress matters at the direction of the YPC.

Native Title

In 2013, a number of Native Title Groups including Bindunbur, Djabera-Djabera, Jabirr-Jabirr and Goolarabooloo filed native title claims with the Federal Court of Australia for large areas of the Mid Dampier Peninsular.

The Djabera-Djabera claim has since been struck out and with other claims being combined, there are now only the Bindunbur, Jabirr Jabirr and Goolarabooloo claims that apply to this area within the local government area of the Shire of Broome.

The Shire joined the native title claims on 3 February 2016 and is now participating in the Federal Court proceedings under the Native Title Act 1993, to ensure the interests of the Shire are represented in those proceedings.



The Shire of Broome continued its support of Kullarri NAIDOC in 2015/16.



Japanese Ambassador to Australia, Hon. Sumio Kusaka, pays his respects at Broome's Japanese Cemetery with former pearl diver Akira Masuda.

2.4 A preserved, unique and significant historical and cultural heritage of Broome.

Broome Cemeteries

The Broome Cemetery has been operational since the late 1890s and is of significant historical interest to locals and visitors. The cemetery database is regularly updated with photos and information to provide a reference and to assist with the ever-increasing number of genealogy requests.

There were 23 burials and 2 internments at the Broome Cemetery in 2015/16.

Following a public submission consultation period from 30 July to 1 October 2015, Council endorsed the Broome Cemetery Master Plan at the Ordinary Meeting of 25 February 2016.

The plan presents a long-term vision for the Broome Cemetery and planning focused on two areas; the existing site and the adjacent vacant land which has been identified for future expansion.

Our Place

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

Tourism Industry Support

In consultation with the Economic Development Advisory Committee (EDAC) the Shire of Broome undertook a review of its Tourism Administration Policy and differential rate allocation.

In 2015/16 Tourism Administration Policy funding recipients included Broome Visitor Centre (\$110,000), Australia's North West (\$175,000), Broome Tourism Leadership Group (\$20,000) and other Shire tourism initiatives (\$10,000). The revised policy aims to improve collaboration on high-level tourism priorities, standardise administration, improve acknowledgement of the Shire's funding support and enhance comparative analysis of the Tourism Administration Policy allocations between recipients.

Caravan Parks

All caravan parks were inspected during the reporting year and the annual stakeholder meeting with the Broome Visitor Centre and caravan park operators was held in March 2016.

The meeting shared information amongst stakeholders, prepared everyone for the busy tourist season and planned for the operation of temporary overflow caravan park facilities. For the first time the Department of Community Protection's District Emergency Services Officer was present to inform the group in relation to emergency evacuation procedures for the Shire.

The team implemented Council's new Operation of Temporary Caravan and Camping Facilities Policy to manage the issue of those travelling with pets to Broome. The new policy allows for all three temporary facilities to open at the same time to accommodate those travellers with pets for the period of their stay in Broome over the tourist season. Facilities will still accommodate overflow travellers on an as-needed basis for a period of seven nights. Environmental Health maintains weekly contact with the Broome Visitor Centre to monitor the availability at each caravan park and temporary facility sites.

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

Shire Assets



Restoration work on the historic Streeter's Jetty.

Stormwater Drainage

During 2015/16 the Shire undertook two major drainage renewal projects and completed a District Stormwater Management Strategy:

Frederick St Drainage Renewal

Stage 1B was constructed in association with Pearl Coast Properties under the Heads of Terms for the Broome International Airport Drainage Agreement, as the existing open drain encroached approximately 10m into land owned by Pearl Coast Property. Work included constructing a triple barrel 1800mm diameter reinforced concrete drain, and associated drainage structures that undergrounded the existing open drain running along Frederick Street and backfilled the area to natural ground level.

Conti Foreshore Drainage Renewal

This is the last uncovered drain within the coastal reserve between Anne St and Town Beach that requires upgrading and backfilling to improve public safety in this area. The project has been broken into two phases, with the design and procurement of the precast concrete box culverts undertaken in 2015/16. Construction of the drain and associated drainage structures is programmed for 2016/17.

District Stormwater Management Strategy

The District Stormwater Management Strategy was completed in June 2016, with flood modelling maps produced for the town site for a range of rainfall events. Three mitigation options were presented in the report. A baseline water quality model was also developed for the town site, with recommendations made regarding opportunities for water sensitive urban design devices and water quality monitoring locations to further refine the water quality model.

Car Park Renewal

The 2015/16 Car Park Renewal program involved the resealing of car parks at Haas St, Seaview and Town Beach. This work involved applying bitumen and aggregate to renew car park surfaces and the reinstallation of line marking post reseal. The works undertaken will maintain the car park pavement, ensuring a reduction in future maintenance and renewal costs.

Footpath Installation

The 2015/16 footpath construction program built footpaths in all of Broome's major subdivisions. An extensive program was completed throughout Broome North, as well as smaller construction programs in Old Broome Estate, Sunset Rise, Roebuck Estate and Six Seasons.

The third and final stage of the dual use bike path on Guy St, from Hunter St to Port Dve, was also completed with grant funding through the Department of Transport Regional Bikeway Network program.

Footpaths were also installed around the perimeter of Roebuck Primary School as part of a State-funded Black Spot project. A section of Jigal Dve footpath that provided an important link between Chinatown and Cable Beach was brought forward and constructed in 2015/16 with assistance from developer contributions from Roebuck Estate. A section of Hamersley St path was also renewed and upgraded to address a level difference in the pathway that presented a significant hazard to pedestrians and cyclists, and a section of footpath on Dickson Dve was constructed in response to a petition previously presented to Council.

Urban Roadworks

Frederick St/Dampier Tce Connection

This project forms part of the Chinatown Redevelopment Strategy. It was designed to provide a greater connectivity into Chinatown and also serve as the road frontage to the proposed lookout to be constructed in this location. A new raised pavement was constructed, along with footpaths on street parking facilitates. Stormwater drainage to the area was upgraded and street lighting was installed to Australian Standards.



Work on the connection of Dampier Tce and Carnarvon St in Chinatown.

Our Place

Cable Beach Rd East – Reid Rd Roundabout Black Spot project

The Cable Beach Rd East - Reid Rd Roundabout Black Spot project constructed a roundabout and relocated the existing bus bays in the immediate vicinity. These works involved pavement and street lighting upgrades and improvements to footpaths and median islands that incorporated pedestrian refuges to improve the overall safety of the large number of pedestrians that utilise this the area.

Hamersley St – Haas St Roundabout Black Spot project

The Hamersley St – Haas St Roundabout Black Spot project constructed a roundabout following an independent Traffic Safety Audit that was undertaken following a fatality at the intersection in 2013. The upgrade included pavement reconstruction, drainage improvements, pedestrian safety improvements, upgrade of streetlights and landscaping.



Opening the new Hamersley/Haas St Black Spot upgrades.

Urban Reseal program

Urban Reseal program funds were spent in continuing the Shire's program of bitumen seal renewal as well as road renewal projects at Town Beach entrance, partial reconstruction at Hunter and Lucas St intersection and sealing and edge stabilisation at Dakas St.

Rural Roadworks

Rural roadworks were concentrated on the Cape Leveque Rd and included shoulder reconstruction of various sections from SLK 156 – SLK 175. Road reforms and drainage upgrades were undertaken between SLK 100 to SLK 102.

Further funds were spent in continuing the Shire's program of bitumen seal renewal on rural roads with considerable reseals carried out on sections of the Cape Leveque Rd between SLK 172 and SLK 196.

The WA Natural Disaster Relief and Recovery Arrangements were activated following tropical lows and associated flooding (16 January/10 February 2015) as part of AGRN 606.

The Shire of Broome coordinated over \$920,000 of reinstatement post flood damage on the Cape Leveque Rd, One Arm Point Rd and Lawrence Rd.

Archer St Upgrade

Archer St is the major industrial connector street in the Broome Heavy Industrial Area and carries a significant amount of heavy and light traffic including triple road trains. The works involved pavement rehabilitation and widening with a fully asphalted trafficable surface, drainage upgrades, streetlights and the provision of concrete property crossovers.



Major upgrade for Archer St in the heavy industrial area.



Landscaping improvements around town.

Parks and Gardens

In 2015/16 capital renewal of parks and gardens assets was undertaken. Major projects included a full reconstruction of Town Beach Playground with installation of new play equipment, soft fall, fencing and seating areas. Other projects included landscaping to Hamersley/Haas roundabout, Reid Rd roundabout and Walcott/Coghlan St roundabout, installation of Miller Park exercise equipment, Bedford Park Memorial upgrade, lawn area reduced into the garden area at Cable Beach bus stop, new seating and picnic tables installed at Cable Beach, tank liner replacement to recycled water tanks at BRAC, lawn area reduced to gardens at Town Beach, and replacement of new drinking fountains at Sugarglider Park and Koel Park.

Coastal Infrastructure

A structural assessment was undertaken of Catalinas Boat Ramp which will be used to obtain a jetty license and apply for future Recreational Boating Facilities Scheme funding rounds.

Subdivisions

Development and subdivision control services were undertaken throughout the year. The construction of the LandCorp Broome Road Industrial subdivision was completed in 2015/16.

Asset management

The Shire of Broome appointed Talis consultants to develop and consolidate individual asset management plans into a Combined

Infrastructure Asset Management Plan (CIAMP). Development of the plan is well advanced and the Shire expects to receive the draft plan in July 2016. The plan will be workshopped with key Shire staff from the Infrastructure and Corporate Services directorates with delivery of the final plan scheduled for August 2016.

The CIAMP will clearly demonstrate the current and future implications of asset management practices in terms of level of service, risk and potential liability and will consist of the development of a 10-year forward capital works plan for each asset class.

The asset data in the plan will be componentised to more accurately reflect an appropriate lifecycle based on type, quantity, age and condition. Internal hierarchies will be established taking both functionality and criticality into account, with reference to the technical levels of service required by the asset class.

The Building Asset Management Plan underwent a major review by Core Business Consultants in February 2016 with a number of improvement initiatives identified and workshopped with Shire staff. The improvements have been incorporated into the CIAMP. The Synergy Asset Management module has been utilised for the Shire's property inventory with the database being maintained internally. A separate database for air conditioning plant has been created to further improve management of this important asset sub class.

Talis Consultants completed a major review of the Transport Asset Management Plan in December 2015 with improvements being incorporated into the CIAMP. The RAMM database for transport data was maintained by Talis Consultants. The high speed visual condition data from ARRB consultants was uploaded and incorporated into the pavement rating assessment module in RAMM allowing for a detailed condition assessment of pavement condition and likely remaining lifespan. In 2016/17 a biannual update of RAMM will be undertaken by consultants to capture changes in the transport network.

The Drainage Asset Management Plan is near completion as part of the CIAMP. Data has been put into the RAMM database which will allow increased access to the data for planning purposes. In 2016/17 a biannual update of RAMM will be undertaken by consultants to capture changes in the transport network.

The collection of the data for the Public Open Space Asset Management Plan has been completed and the Public Open Space assets inventory will be maintained in GIS. Further minor asset sub classes will be added to the database in 2016/17, and key asset groups will be uploaded into Intramaps available on the Shire website.

Pocket RAMM hardware and software has been procured to allow for more direct and efficient pick up of assets and live updating of inventories. RAMM training was undertaken by Infrastructure staff in January 2016.

Our Place

Asset Management Improvement Strategy

In 2015/16 the Shire's Asset Management Improvement Strategy was reviewed and the following was implemented:

- All drainage data was collected and an inventory including a drainage hierarchy has been developed;
- All Public Open Space data was collected and an inventory including a hierarchy and level of service has been developed;
- All building data was reviewed and collated;

- All transport data was reviewed and the visual condition data has been incorporated; and
- A road hierarchy has been developed.

Talis Consultants were contracted to produce a Combined Infrastructure Asset Management Plan which incorporates the Building Asset Management Plan, Transport Asset Management Plan, Drainage Asset Management Plan and Public Open Space Asset Management Plan with completion expected in early July 2016. This combined plan will provide an overview of all asset classes showing the annual required renewal costs.



Restoration work was carried out on the Dampier's Chest memorial in Bedford Park.

2.7 Council is able to mobilise resources to deliver municipal services to Indigenous communities that are compliant, effective and within Council's capacity

Environmental Health Services to Aboriginal Communities

The Shire Environmental Health Team provides advice and assistance to all people within the Shire of Broome. However, an Environmental Health Officer employed by Nirrumbuk Aboriginal Corporation, with funding provided by the State, assists the Shire's Aboriginal communities with meeting their obligations under the Health Act 1911. Shire Environmental Health Officers maintain regulatory inspections in Aboriginal communities, including food premises inspections and others required in accordance with the Health Act 1911.

The Shire does seek to work with relevant organisations and stakeholders in Aboriginal communities to maintain standards consistent with the Health Act 1911. In April 2016 a notice was issued under the Health Act 1911 to remove a house at the Mallingbarr Community, as the dwelling was declared unfit for habitation. Two notices declaring dwellings unfit for habitation were served on the Nillir Irbanjin Community also. The Shire is working with relevant organisations and the Communities to progress the outcomes of the notices.

The Shire of Broome aims to create the means to enable local jobs creation and lifestyle affordability for the current and future population. The following is a summary of progress made towards these Outcomes during 2015/16.

3.1 Affordable and equitable services and infrastructure

Business Development

During 2015 the Shire of Broome hosted free quarterly Business Breakfast Series forums as part of a raft of economic development initiatives introduced by the Shire. The Business Breakfast Series provided an opportunity for the business community to be briefed on the Shire's economic development initiatives and provide feedback, to hear from relevant speakers, and to network with others in business and government.

Safe Boat Harbour

In the State Budget of December 2013, the WA Treasurer advised that plans for a \$50 million small boating facility for Broome had been cancelled. The Shire of Broome considered a late item at the December 2013 OMC, authorising the formation of a CEO advisory group to meet with then-Minister Buswell (Treasurer, Transport) and Minister Redman (Regional Development) to have the decision reconsidered or to seek interim funding to at least have boat launching facilities brought up to a basic standard (Department of Transport statistics state that in peak periods there are over 200 boat launches per day, with 40 per cent being visitors, and one in 10 persons owning a boat registered in the Shire of Broome).

The CEO Advisory Group met with Minister Redman with an initial response that the State was not prepared to support the regional project. The Shire of Broome, with stakeholders, prepared alternative interim projects for consideration at Gantheaume Pt, Port of Broome and Entrance Point at a cost of \$13.69 million. However, these concepts were not supported by the Minister.

The Broome Shire Council subsequently resolved in 2015 for general support of a Safe Harbour project.

Regional Resource Recovery Park

Two preferred sites have been identified for the Regional Resource Recovery Park. The Shire is currently progressing land access options for both preferred sites with the purpose of undertaking detailed site investigations. The results of the detailed site investigations will be presented to Council for endorsement of a preferred site to carry forward to the approvals phase.

Landfill Closure

Stage Two of the Landfill Closure Management Plan was deferred to 2016/17. This was due to lower than anticipated waste volumes combining with operational limitations on the site relating to the tipping face locations not being able to occur in the planned area.

Kimberley Zone of WALGA and Regional Group

The Shire of Broome remains an active participant in Zone business and local government policy development. Council continues to support the Kimberley Zone Project Manager with an allocation of \$55,000 representing the Shire's quarter share. Council has also contributed, along with three other local governments, an amount of \$10,000 for Business Plan preparation. The Shire of Derby/West Kimberley facilities the position as a conduit role and provides office accommodation and ancillary support direct to the position.



Broome Business Breakfast at the Broome Civic Centre.

Our Prosperity

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

Broome Road Industrial Estate

This financial year work has progressed on the Broome Road Industrial Estate. The Shire has issued subdivision clearance for the first stage of the subdivision for the creation of nine lots. The first Development Application for the estate has been approved.

Liaison with Department of Lands

Regular contact has been maintained with the Department of Lands throughout the year regarding property land tenure matters. The change of use of BRAC drainage reserve was received to allow for the construction of the new Community Storage Facility.

Process Improvements

This financial year the Planning Services section delivered on a number of process improvements to streamline processes and reduce red-tape. Initiatives this year include:

- Finalisation of the Minor Development Policy to exempt development which is considered minor in nature from the need to obtain development approval;
- Introduction of a number of information sheets to assist members of the public in making development applications;
- Improvements to the Delegated Authority reporting templates;
- Improved internal referral timeframes, which has contributed to a reduction in average processing times for Development Applications from 31 days last financial year to 22 days this financial year.



The Shire of Broome Community Clean-Up Crew.

Waste Management

In partnership with the Waste Authority of WA, a drop-off area was implemented at the Buckleys Rd Waste Management Facility. Along with improving safety, the drop-off area allows users to separate their waste into sorted waste streams. Those sorted waste streams are then able to be treated in their own right to be reused or recycled where possible. The drop-off area contributes to the diversion of waste from landfill which improves the life of the landfill asset while minimising environmental impact.

In anticipation of the Buckleys Rd Waste Management Facility reaching the end of its useable landfill life, the Shire is progressing the new Regional Resource Recovery Park (RRRP). Council has selected two preferred sites of interest for the RRRP and detailed site investigations are scheduled to occur in 2016/17. Following the detailed site investigations Council will adopt a preferred site to carry forward to the approvals stage.

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



Shire of Broome CEO Kenn Donohoe launches the Broome Investment Prospectus with staff member Lisa-Marie Dann and former Shire President Graeme Campbell.

Economic Development

An Inward Investment Prospectus developed by the Shire of Broome has become a key tool for attracting investment to Broome. The prospectus includes industry inserts for; logistics services, agriculture, aquaculture and marine services as well as a land availability map and town site map. The Inward Investment Prospectus allows Broome to actively market the region's investment opportunities to local, national and international investors, and positions the Shire at the forefront of economic development. Hard copies of the new prospectus have been distributed to stakeholders and it is available electronically on the Shire website.

Our Organisation

The Shire of Broome aims to continually enhance its organisational capacity to service the needs of a growing community. The following is a summary of progress made towards these Outcomes during 2015/16.

4.1 An organisational culture that strives for service excellence



Shire of Broome Administration Staff.

Customer Service

An electronic Customer Service module was launched in June 2016 with a staged implementation throughout directorates. The system will more effectively and efficiently manage customer service requests, and will improve the Shire's ability to track, monitor and report on action and progress.

Human Resource Management

The Shire has reviewed and improved the recruitment and selection process through the revision of job application packages offered to potential employees. This includes addressing accuracy of information, easy to understand and interpret written communication to third parties, and the inclusion of a flow chart to enhance the visual modelling process. The Shire has also reviewed and updated the internal process for new employee inductions to ensure a streamlined process that is consistently applied and incorporates organisational improvements.

Retention has been addressed by the continual promotion of utilising internal resources efficiently so far as practical. This type of talent development is key to retain high-performing individuals and provide them with suitable development opportunities to facilitate career progression. This has been achieved through the support of the study policy, internal secondments, cadetships, internal promotions, higher duties and acting roles.

The Shire continues to promote solidarity to the community through unpaid work experience and volunteer programs recently hosted in Planning and Health Services. The Shire has also undertaken an onsite training-based mechanics workshop apprenticeship in partnership with Rio Tinto and Kimberley Group Training.

The Shire's internal communications systems have also been enhanced, as seen in the online timesheet project rolled out by Finance, monthly staff newsletter and establishment of the Workforce Enhancement Network.



The Shire of Broome fitting new reflective street numbers.

Our Organisation

Workforce Plan

As part of the Integrated Planning Reporting and Framework the Shire's Workforce Plan was redeveloped in alignment with the refocus of strategic direction. The primary focus when considering redevelopment of the workforce plan was to maintain strategic vision of the workforce, be flexible in the event of economic shift while providing directorates and departments with relevant strategies to build the capacity and longevity of the workforce.

To commence working towards the above objectives, a Regional Workforce Planning Workshop facilitated by the Department of Local Governments and Communities was hosted at the Broome Civic Centre. The workshop was a unique opportunity for executive management, human resources practitioners and responsible officers from across the Kimberley to discuss and review workforce planning methodologies as well as define common strengths and challenges experienced in the North West.

The Shire then worked with the Broome Chamber of Commerce and Industry to develop an external environmental scan. External scanning was necessary to create a better understanding of the current WA economic climate, labour market and challenges with a particular consideration for regional local government.

The Shire then conducted an internal environmental scan to create an accurate reflection of the Shire of Broome workforce. Internal scanning is necessary to understanding the dynamics of the existing workforce, needs, strengths, opportunities and challenges.

The workforce plan then considered the facts of the external and internal environment assessment, identified objectives from the SCP and CBP and made recommendations to develop the workforce based on the methodologies of sustainability and business continuity. Those identified include; increasing internal and external relationships, key performance indicators, workload, recruitment selection and integration, retention of corporate

knowledge, structure and salaries, equal employment opportunity management, workplace safety and health, organisational risk management, training and performance, reward and recognition, healthy workplace initiatives and technology.

Training and Development

The Workforce Plan identified training strategies that work towards overcoming challenges faced by local governments operating in the North West. Those strategies include; allowing maximum participation of staff, both indoor and outdoor workers through increased onsite training; ensuring minimum levels of organisational compliance are achieved if not exceeded; promoting professional development via external study; sharing like resources within the Kimberley and Pilbara regional Local Governments; establishing training activities in advance to assist management and staff to plan ahead; updating the onboarding process for new employees and to continue to build and maintain relationships with quality associations and trainers.

The Shire continues to promote organisational training and development opportunities to staff through the annual training calendar and support strategies identified in the workforce plan. The Shire annual training calendar was able to deliver manual handling, Microsoft Office in Excel, Word, PowerPoint and MS Project, procurement training, managing work priorities, dealing with difficult people, cultural awareness, running effective meetings, policy development writing, risk assessments, presentations and public speaking, building high performance teams, working well living well, workers compensation training, introduction to the Local Government Act, Synergy report manager, communication and interpersonal skills, managing people, managing recovery activities, resilience training, managing employee social media, developing a business case, editing and proof reading, preparing agendas and minutes, role of the safety committee, workplace change and creating a positive work environment.



A partnership with Rio Tinto and Kimberley Group Training to employ apprentices.

Health and Safety

The safety and health of our people is vital to achieve strategic goals and at the core of organisational values. The Shire of Broome 'Work Health Safety Policy' was adopted by Council and highlights the Shire's commitment to promoting and improving standards of occupational safety and health, with the aim of sustaining a safe work and community environment. This document is the basis of work on a Work Health Safety System. This has led to improvement in workers compensation, injury management, hazard reporting, personal protective equipment, sun and weather exposure, drug and alcohol, and fitness for work.

The Shire promotes wellness initiatives through the Shire's Healthy Workplace Framework to enhance physical, psychological and social wellbeing. The Shire of Broome was also one of 10 local governments in WA chosen to pilot the Local Government Insurance Scheme 'Healthy Intel Portal', allowing employees access to a wellness online service that is customised to the individual.

North West Environmental Health Group Meeting

Broome hosted the annual North West Environmental Health Officer Group Meeting in Broome from 11-13 April 2016. Attendees from North West Shires took advantage of excellent presenters and networking opportunities with representatives from the Department of Health, Department of Local Government, Environmental Health Australia and the Building Commission. The agenda covered a wide range of health issues and provided a platform for officers to share experiences and discuss common issues.

4.2 Sustainable and integrated strategic and operational plans

Information Technology

The Shire's ICT Strategic Plan has been reviewed and now provides an up-to-date direction for ICT investment through to 2021. The five-year strategy encompasses all aspects of ICT use at the Shire of Broome and ensures that a sound organisational basis exists for the continuing renewal of assets, facilitating increased efficiencies and reduced costs that drive customer service.

The Shire's storage area network (SAN) device was replaced as per the Information Communication Technology (ICT) equipment replacement schedule. As well as reaching its renewal date the old SAN was rapidly running out of available storage space. The new SAN increases storage capacity and speed and provides a solid foundation for future storage requirements.

Various network and server components have also been upgraded during the course of the year to improve performance, reliability and security. Existing equipment has been retained and will provide redundancy for critical operations should failures occur. Redundant equipment will also be utilised to provide essential services in the event of a disaster. Additionally the Shire's network has undergone a redesign to cater for the increased demand of voice and video traffic and to improve the transport and security of data.

Power systems were upgraded to enable the use of a generator to deliver power to the Shire Administration building in the event of an ongoing power failure. A recent power outage event provided an opportunity to test the system and it performed to expectations. Work is continuing to extend the offline availability of core IT systems in the coming year.

Reducing the cost and environmental impact of printing and copying was also a key outcome with the introduction of a Print Management

System to allow the Shire to reduce the volume of printed pages, reducing paper and consumable use. Further the system allows for the apportioning of administrative costs on a use-case basis providing improvements in internal financial allocations.

GPS devices have been purchased and installed on various fleet vehicles to increase operator safety and provide efficiencies across the asset base. The system will continue to be rolled out in 2016/17 to capture all Council vehicles. This delivers a number of benefits to the organisation including the efficient use of assets, reduced fuel consumption and enhanced fringe benefit tax outcomes.

Several business machines were also purchased in line with renewal schedules including three photocopiers, a folding machine, several printers and a large format plotter.

Risk Management

The Workforce Plan identifies Organisational Risk Management as a key preventative tool for the Shire to mitigate loss and maximise opportunity by identifying, analysing, treating, monitoring and communicating potential workplace risk. The Shire's Risk Technical Advisory Group was established to promote a decentralised system and meets bi-monthly and reports to Council twice annually.

Completed items include legislative compliance policy, records management, materiality reporting, investment of surplus funds, banking procedures, records management, safety policy, and agenda risk management. Those items in development include the draft strategy and framework, draft contractor management system, draft business continuity procedure, emergency management and recovery, events management and cash handling procedures.

Our Organisation

4.3 Responsible resource allocation

Long Term Financial Plan

The draft 2015-2030 plan was presented to Council in August 2015 as part of the 2015/16 budget adoption.

The plan is subject to a desktop review each year to take into account changing circumstances. A desktop review was completed between January – May 2016 to inform and guide the development of the 2016/17 budget.

A full revision of the Long Term Financial Plan is scheduled for completion by December 2016. The review will incorporate the outcomes of the full review of the Strategic Community Plan and the Shire's Asset Management Plans which are due for completion in the second half of 2016.

The aim of the regular review of the Long Term Financial Plan is to provide a long-range view of the financial sustainability of the Shire of Broome, therefore providing strategies to be able to provide and maintain existing service levels for future generations.

Rates

A number of review processes have been achieved during the financial year. Council requested a review of concessional properties and a review of Policy 2.1.5 Rural Rating. An independent consultant was appointed to oversee the review and facilitated an engagement process through the appointment of six ratepayers from the affected concessional areas of Coconut Well, Twelve Mile and properties with a Horticultural land use, to the CEO's Rates Advisory Group. The group scheduled six meetings involving the presentation of key rating information, planning and zoning land use information, reviewing the draft rating policy and providing feedback on the engagement process with ratepayers in the concessional areas. The group presented a number of recommendations which were presented to Council for adoption.

In addition, a number of sample properties from the areas of review were selected to obtain indicative Gross Rental Valuation values from the Valuer General. These were reported to Council in March 2016 and the new rating policy that replaced Policy 2.1.5 Rural Rating was adopted. This commenced the engagement and information gathering process for the review of the predominant land use in the concessional areas. Land use surveys have been received from ratepayers after the close of the submission period in May 2016 and are being reviewed in preparation for application to the Minister for Local Government and Communities to review the valuation methodology from Unimproved Value to Gross Rental Value based on the land use survey data and desktop review of mapping data.

During the year, the development of a policy and procedural framework for Charitable Use Exemption for rates continued at Council's request. A draft policy and procedure has been tabled for internal review after an extensive process of industry research, consultation with the Department of Local Government and Communities and the WA Local Government Association.

After a final legal review, the draft policy and business operating procedure was finalised for an internal review by the Executive Management Group. The draft policy and procedure provides an important framework for officers and the Council to ensure that applications for Charitable Use Exemptions are assessed through a process where relevant legislation is accurately interpreted, determinations based on accurate information, and Charitable Use Exemptions are determined on the basis of fairness, equity, consistency, objectivity and administrative efficiency.

Audits, Reviews and Strategies

In compliance with the Local Government Act 1995 and associated regulations, the Shire must appoint an Audit Committee and conduct annual financial audits.

In accordance with Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996, the CEO is to undertake reviews of the appropriateness and effectiveness of the Shire's financial management systems and procedures, and report the results to Council, at least once in every four financial years.

Such a review was completed in February 2016 and the report from this review was tabled at the Audit Committee meeting held 10 May 2016 and received by Council at the Ordinary Meeting of Council held 26 May 2016. The next review must be undertaken prior to the end of 2019/20.

4.4 Effective community engagement

Reporting

The Strategic Community Plan is the overarching document that sets out the vision, aspirations and objectives of the community, electors and ratepayers and is required to cover a period of at least 10 financial years. In accordance with Regulation 19C of the Local Government (Administration) Regulations 1996 the Strategic Community Plan is to be reviewed at least once every four years. A full review of the Strategic Community Plan and Corporate Business Plan will be undertaken in the first half of 2016/17.

4.5 Improved Systems, Processes and Compliance

Improved Business Processes

Significant business process and control improvements have occurred across a variety of corporate systems during the year. These improvements have targeted inefficiencies, risk and financial controls and have resulted in improved risk mitigation, reduced cost of services and enhanced internal and external customer service.

The Shire recently adopted a Digitisation Plan which allows the organisation to continue striving towards a paperless environment by ensuring comprehensive processes exist for the conversion of hard copy documents. This enables the development of automated business processes and reduces time consuming manual handling and storage of physical documents. Records procedures have also been updated and new induction process developed, considerably improving internal customer service and increasing overall recordkeeping compliance.

Several financial initiatives have been introduced in an effort to tighten control and increase transparency across financial transactions. Improved cash handling procedures have been developed for various Shire services resulting in a significantly improved receipting process and enhanced integration with financial systems. Cash handling, bank signatory, revenue, payroll and accounting business operating procedures have been developed to ensure the ongoing visibility and regulation of finance-related functions within the organisation.

In addition to the improved financial control processes, significant work has been undertaken to improve the risk management function. Risk management templates and matrices have been enhanced to ensure business risk is identified and appropriately managed. This work will continue in 2016/17.

A business continuity plan has been developed and is nearing completion. This plan provides direction for the organisation in relation to the level of service provided following a significant disaster or event impacting normal operations. The plan details responsibilities and expected restoration timeframes for core services. This will inform relevant departments the will need to formulate appropriate responses to ensure these required timeframes can be met in times of emergency. Further work on the plan will continue and will include the finalisation of ancillary disaster recovery plans such as ICT and Records Disaster Plans as well as the development of a recovery testing process.

Business Systems

A significant number of business system projects were identified and approved in 2015/16.

The organisation's intranet, originally introduced in 2007, was updated to reflect changes in corporate requirements. The selected

solution has been developed specifically for the Local Government market and has been tailored to the Shire of Broome's specific needs. Named "Boab (Be Online @ Broome)" the site aims to provide a centralised location for staff to discover, connect and collaborate, improving the organisation's ability to disseminate corporate knowledge.

An online timesheet system was also introduced in an effort to reduce the operational impact of the outdated manual timesheet process. This has reduced the time taken to administer employee timesheets and also improved processing efficiencies for payroll staff. Improvements in the payroll area will continue in 2016/17 with the implementation of an online leave application system. This will allow staff to query their leave entitlements and lodge leave applications online, significantly improving efficiencies and internal customer service.

Budgeting capabilities have been significantly improved with the introduction of a budget management system, Magiq, which is integrated with the Shire's core financial system. Magiq provides improved transparent reporting capabilities reducing the time required to deliver up to date accurate financial information to the organisation. Funding has been provided in the 2016/17 year to further develop the system to deliver improvements in quarterly and annual reporting as well as delivering enhanced financial management tools to officers responsible for budgetary compliance.

In addition to the various capital projects rolled out during the year a number of critical business system upgrades have also been completed. These upgrades have included the Shire's principle enterprise and finance system, minute and agenda system, office applications, recreation centre and waste facility systems.

Kerbside Waste and Recycling Collection

Since July 2014 the Shire of Broome has contracted Toxfree Australia for the provision of weekly waste collection and fortnightly recycling collection services. With the help of technology using Radio Frequency Identification the Shire has been able to control and improve the delivery of the collections. The implementation of a larger 360L recycling bin has been successful and the Shire will continue to transition all existing 240L recycling bins to the new 360L recycling bin. In addition several school and community education sessions were undertaken.

Verge Collection

In October 2015, the Shire undertook the annual pre-cyclone clean up. This free service is offered to residential properties in the Broome town site and removes debris which could pose a hazard in the event of a cyclone. Residents are requested to place all items on the verge in a neat and tidy manner prior to the designated collection days. This free service will again be offered in 2016.

Our Organisation

Governance

Local Government (Financial Management) Regulations 1996

The Shire of Broome is required to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures regulation (not less than every four financial years) and report to the local government the results of those reviews. Such a review was completed in February 2016 and the report from this review was tabled at the Audit Committee meeting held 10 May 2016 and received by Council at the Ordinary Meeting of Council held 26 May 2016. The next review must be undertaken prior to the end of the 2019/20 financial year.

Local Laws

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

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

A review of the below local laws commenced in 2015/16:

- Local Government Property and Public Places Local Law 2016 - as resolved by Council at the Ordinary Meeting held 26 May 2016;
- Trading, Outdoor Dining and Street Entertainment Local Law 2016 - as resolved by Council at the Ordinary Meeting held 30 June 2016.

The review process will conclude in 2016/17.

Payments to Employees

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

Salary Range \$	2015/16	2014/15
100,000 – 109,999	16	10
110,000 – 119,999	9	7
120,000 – 129,999	3	5
130,000 – 139,999	1	0
140,000 – 149,999	0	0
150,000 – 159,999	2	1
160,000 – 169,999	0	0
170,000 – 179,999	0	2
180,000 – 189,999	1	1
190,000 – 199,999	0	0
200,000 – 209,999	0	0
210,000 – 219,999	0	1
220,000 – 229,999	1	0

Complaints

During 2015/16 there were no complaints received under section 5.121 of the Local Government Act 1995 that resulted in action under Section 5.110(6)(b) or (c).

Public Interest Disclosure

In accordance with the requirements of the Public Interest Disclosure Act 2003, the Shire of Broome has established procedures to facilitate the making of disclosures under the Act. These procedures set out the processes in respect to protected disclosures generally, to protect people from reprisal for making protected disclosures, and to provide guidance on investigations.

The Shire's Public Interest Disclosure Procedure is available on the Shire's website.

In the 2015/16 financial year, no disclosures relating to improper conduct were made to the Shire and therefore no disclosures were referred.

Freedom of Information Act 1992

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

The Shire received five FOI applications in 2015/16 of which four have been successfully processed within legislated timeframes. One application was received prior to the end of the financial year however the timeframe for completion falls in the 2016/17 year. No internal or external reviews were requested.

In accordance with Section 96 and 97 of the Act, the Shire is required to publish an Information Statement which details the process of applying for information under the Act, as well as information that the Shire provides outside the Act.

The Shire has reviewed its Information Statement document as required under the Act. The document is available on the Shire website: Shire of Broome Information Statement.

For further information on Freedom of Information at the Shire of Broome please visit the FOI page on the Shire website at www.broome.wa.gov.au/foi/foi.htm.

Shire of Broome Amended Recordkeeping Plan 2014

The State Records Commission, on behalf of the State Records Office, approved the Shire of Broome amended Recordkeeping Plan in February 2014. The amended plan details the goals and strategies for recordkeeping within the Shire of Broome and demonstrates the Shire of Broome's commitment to accurate and compliant record keeping practices in accordance with the State Records Act 2000. The amended recordkeeping plan will be reviewed in 2019.

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

A number of information management initiatives were also completed including:

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

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

Disability Access and Inclusion Plan

The Access and Inclusion Advisory Committee (AIAC) met three times during the year to oversee the implementation of the Shire's Disability Access and Inclusion Plan (DAIP) to ensure Council meets its obligations under the Disability Services Act 2004. The purpose of the plan is to identify barriers to access and propose solutions to ensure that people with disabilities have equality of access to services and facilities. The plan is reviewed annually by the Committee and a progress report was provided to the Disability Services Commission in June 2016 for the 2015/16 reporting period which demonstrated the Shire is meeting its obligations in implementing the plan.

The Shire of Broome has undertaken a number of initiatives to enhance access and inclusion during 2015/16 and has made some notable achievements in this area including:

- Upgrades to ACROD parking, access ramps and paths at Cable Beach;
- Ramp upgrade to address drop off due to change in pavement level in Chinatown;
- Lighting of ACROD bays for night use at the Broome Civic Centre and Shire Admin building;
- Workshop with staff and AIAC members to identify strategies for the Shire to become a disability friendly workplace;
- In partnership with local service providers the Shire supported a range of events during Disability Awareness Week.



Work underway on a new access ramp at Cable Beach.

Our Organisation

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

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

The Code provides Council Members, Committee and Working Group Members and Employees with consistent guidelines for an acceptable standard of professional conduct. The Code addresses in a concise manner the broader issue of ethical responsibility and encourages greater transparency and accountability.

Property Department Disposals/Acquisitions

In 2015/16 the following disposals/acquisitions were considered and resolved by Council:

22 Carnarvon Street	RFF	02/09/2015 to 01/09/2018	Lease Variation – Change of Use
78 Herbert Street	Broome Bowling Club	22/02/2016 to 21/02/2035	Lease Renewal
Portion Reserve 17132, Lot 2813	Town Beach cafe	28/02/2016 to 27/02/2018 plus 1 year option	Lease Renewal
20 Cable Beach Road, Cable Beach. Reserve 42502, Lot 2827	Foundations Care	01/02/2016 to 31/01/2017 plus 2 x 1 year options	New Lease
17 Louis Street, Broome.	BOSSCA	01/04/2016 to 31/03/2022 plus 1 x 3 year option	Lease Renewal
4 Jones Place, Broome.	Men's Shed Inc	04/09/2015 to 03/09/2030	New Lease
Reserve 36426, Port Drive Broome	Broome Pistol Club	New 21 year lease being drafted	Lease Renewal
Tenancy 5,6 & 7 at Kimberley Regional Offices Building 2	Far North Community Association	01/08/2016 to 31/07/2017	New Lease
18 Broome Road	Courthouse Collections	3 + 3 + 3 (Start date to be negotiated – around 01/09/2016).	Lease Renewal

Policy

In accordance with Council Policy 1.2.1 – Policy Manual, policies are reviewed at least every two years. Policies were reviewed and presented to Council for adoption at the Ordinary Meeting of Council held 17 December 2015.

Additional and amended policies are presented to Council for adoption as and when required. Current policy documents can be viewed on the Shire website.

The next full policy review will be undertaken and presented to Council for adoption following the Shire of Broome 2017 Ordinary Local Government election.



Measuring Outcomes – KPI's

Key performance indicators have been determined for each desired outcome to assess if the goals are being achieved. These are defined within the Strategic Community Plan and provided in the table below.

Our People Goal - Foster a community environment that is accessible, affordable, inclusive, healthy and safe.

Outcome	KPI	Comments
1.1 Effective Communication.	<ul style="list-style-type: none"> Community satisfaction with the Shire's communications processes that will be measured every 2 years via a community survey. 	The 2015 Community Perceptions Survey found 46% satisfaction with how the community was informed about local issues.
1.2 Affordable services and initiatives to satisfy community need.	<ul style="list-style-type: none"> Community satisfaction with the level and affordability of key services that will be measured every 2 years via a community survey. 	<p>The 2015 Community Perceptions Survey found:</p> <ul style="list-style-type: none"> 86% satisfaction with Broome Public Library. 83% satisfaction with Broome Civic Centre. 77% satisfaction with Broome Recreation and Aquatic Centre including outdoor sporting grounds. 53% satisfaction with facilities for families. 43% satisfaction with facilities, services and care for seniors. 43% satisfaction with access to services and facilities for people with a disability. 39% satisfaction with facilities for youth.
1.3 Accessible and safe community spaces.	<ul style="list-style-type: none"> Community satisfaction with the sense of safety in community spaces that will be measured every 2 years via a community survey. Community satisfaction with accessibility of community spaces that will be measured every 2 years via a community survey. 	<p>The 2015 Community Perceptions Survey found:</p> <ul style="list-style-type: none"> 33% satisfaction with control of graffiti and vandalism. 31% satisfaction with safety and security. 19% satisfaction with control of anti-social behaviour.
1.4 Participation in recreational and leisure activity.	<ul style="list-style-type: none"> Community participation rates in recreational activities. 	<p>Active participation in structured club sport has increased by 6% since 2013. This includes:</p> <ul style="list-style-type: none"> 19% increase in senior club sport. 42% increase in youth (13-18) club sport. 13% increase in junior (Under 12) club sport. 5% increase in male participation. 7% increase in female participation. <p>BRAC experienced:</p> <ul style="list-style-type: none"> 49,597 aquatic entries for 2015/16. 6,484 group fitness attendees (aqua aerobics and land based classes). 1,026 kids enrolled in learn to swim classes.
1.5 A healthy and safe environment.	<ul style="list-style-type: none"> Percentage of Environmental Health inspections completed. Customer Service satisfaction rating in relation to Municipal law enforcement actions undertaken. 	<p>52% of scheduled inspections were completed.</p> <p>The 2015 Community Perceptions Survey found:</p> <ul style="list-style-type: none"> 46% satisfaction with enforcement of local laws relating to food, health, noise and pollution. 35% satisfaction with animal and mosquito control.

Measuring Outcomes – KPI's

Our Place Goal- Help to protect the natural and built environment and cultural heritage of Broome, while recognising the unique sense of place.

Outcome	KPI	Comments
2.1 Realistic and sustainable land use strategies for the Shire within state and national frameworks and in consultation with the community.	<ul style="list-style-type: none"> Percentage compliance with statutory reviews required of the Local Planning Framework. 	<ul style="list-style-type: none"> 100% compliance with statutory reviews. Local Planning Policies reviewed December 2015 (ongoing review of policies as directed by Council).
2.2 A built environment that reflects arid tropical climate design principles and historical built form.	<ul style="list-style-type: none"> Community satisfaction with the amenity of the built environment within the District that will be measured every 2 years via a community survey. 	<p>The 2015 Community Perceptions Survey found:</p> <ul style="list-style-type: none"> 73% satisfaction with parks, gardens and reserves. 61% satisfaction with maintenance of sealed roads. 55% satisfaction with maintenance of unsealed roads. 55% satisfaction with footpaths and cycleways. 48% satisfaction with verge maintenance.
2.3 A unique natural environment for the benefit and enjoyment of current and future generations.	<ul style="list-style-type: none"> Community satisfaction with the state of the natural environment that will be measured every 2 years via a community survey. 	<p>The 2015 Community Perceptions Survey found:</p> <ul style="list-style-type: none"> 62% satisfaction with conservation and environmental management. 64% satisfaction with management of coastal and foreshore areas.
2.4 A preserved, unique and significant historical and cultural heritage of Broome.	<ul style="list-style-type: none"> Community satisfaction with the preservation of the historical fabric of Broome. Percentage of compliance with statutory requirements for the review of the Municipal Heritage list. 	<p>The 2015 Community Perceptions Survey found:</p> <ul style="list-style-type: none"> 65% satisfaction with how local history is preserved and promoted. 62% satisfaction with how cultural history is preserved and promoted. <p>100% - Municipal Inventory adopted by Council in 2014, Annual Review undertaken in August 2015. Due for a full review in 2018.</p>
2.5 Retention and expansion of Broome's iconic tourism assets and reputation.	<ul style="list-style-type: none"> Increasing dollar value of investment by Council into tourism assets and promotion. 	<p>Council increased expenditure in tourism assets and promotion in 2015/16 by approximately \$30,803 compared to 2014/15. This is a 3.15% increase.</p>
2.6 Core asset management to optimise the Shire's infrastructure whilst minimising life cycle costs.	<ul style="list-style-type: none"> Trend identified via benchmarking the Shire's Asset Management systems and processes against like local governments via the WAAMI Program. 	<p>Asset management systems are under continuous review and improvement to optimise renewal programs, systems and processes.</p>
2.7 Council is able to mobilise resources to deliver municipal service to indigenous communities that are compliant, effective and within Council's capacity.	<ul style="list-style-type: none"> Percentage of municipal services to indigenous communities delivered in line with negotiated service level agreements. 	<p>No service level agreements have been negotiated. Shire of Broome Health Services provided regulatory services.</p>

Measuring Outcomes – KPI's

Our Prosperity Goal – Create the means to enable local jobs creation and lifestyle affordability for the current and future population.

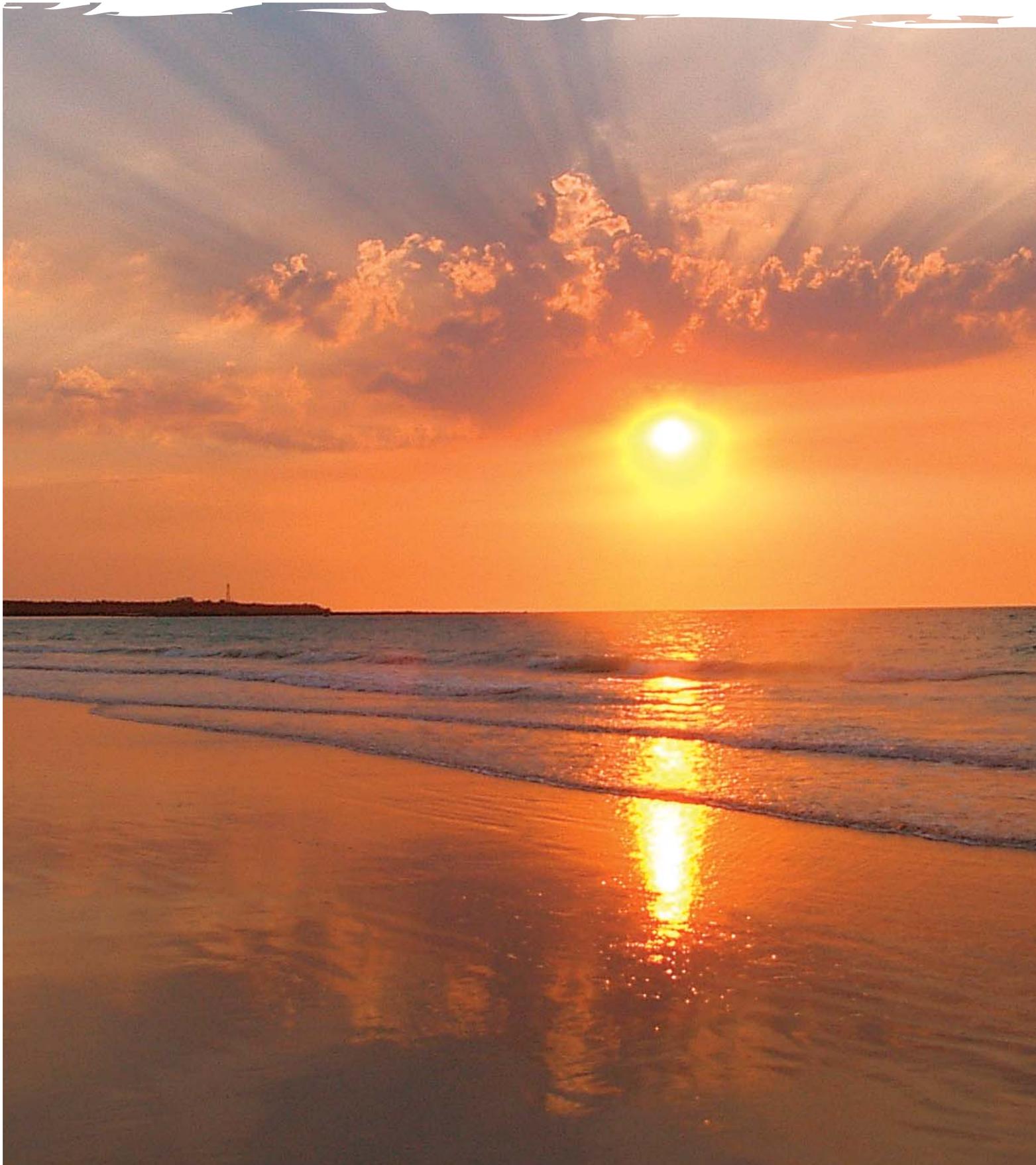
Outcome	KPI	Comments
3.1 Affordable and equitable services and infrastructure.	<ul style="list-style-type: none"> • Customer satisfaction with all services delivered by the Shire. • Community satisfaction with Infrastructure measured against targets in Asset Management Plans. 	<p>The 2015 Community Perceptions Survey found:</p> <ul style="list-style-type: none"> • 65% satisfaction with tourism. • 54% satisfaction with access to housing that meets your needs. • 44% satisfaction with what the Shire is doing to promote the area as a desirable place to live and work. • 35% satisfaction with economic development and job creation. <p>The 2015 Community Perceptions Survey found:</p> <ul style="list-style-type: none"> • 86% satisfaction with Broome Public Library. • 83% satisfaction with Broome Civic Centre. • 77% satisfaction with Broome Recreation and Aquatic Centre including outdoor sporting grounds.
3.2 Affordable land for residential, industrial, commercial and community use.	<ul style="list-style-type: none"> • Number of lots supported in subdivision applications annually. • Percentage of planning applications approved within the statutory timeframe. • Percentage of building applications approved within the statutory timeframe. 	<p>12 subdivision applications were supported in 2015/2016</p> <p>98% of planning applications were approved within the statutory timeframe. 2% of applications were not determined within timeframes because of required Council determination.</p> <p>100% of building applications were approved within the statutory timeframe. A large portion required further information which stops the clock on the approval timeline.</p> <p>The 2015 Community Perceptions Survey found 38% satisfaction with planning and building approvals.</p>
3.3 Key economic development strategies for the Shire which are aligned to regional outcomes working through recognised planning and development groups/committees.	<ul style="list-style-type: none"> • Adoption by Council of the Growth Plan by December 2013. 	<p>The Broome Growth Plan is now being prepared in accordance with the State's Regional Centres Development Planning initiative. It is scheduled to be finalised and adopted by Council by 31 October 2016.</p>

Measuring Outcomes – KPI's

Our Organisation Goal – Continually enhance the Shire's organisational capacity to service the needs of a growing community.

Outcome	KPI	Comments
4.1 An organisational culture that strives for service excellence.	<ul style="list-style-type: none"> Measure improvement of organisation culture every 2 years with staff survey. Measure improvement of customer service every 2 years with community survey. 	<p>Staff survey to be undertaken in 2016/17.</p> <p>The 2015 Community Perceptions Survey found 58% satisfaction with the level of customer service.</p>
4.2 Sustainable and integrated strategic and operational plans.	<ul style="list-style-type: none"> Trend resulting from benchmarking the Shire's Integrated Planning & Reporting systems, processes and documentation against like local governments. 	<p>The 2015 Community Perceptions Survey found 24% agreed the Shire had developed and communicated a clear vision for the area.</p> <p>A full review of the Strategic Community Plan will be undertaken in 2016/17.</p>
4.3 Responsible resource allocation.	<ul style="list-style-type: none"> Trend resulting from benchmarking the Shire's Integrated Planning & Reporting systems, processes and documentation against like local governments. 	<p>A full review of the Strategic Community Plan will be undertaken in 2016/17.</p>
4.4 Effective community engagement.	<ul style="list-style-type: none"> Community satisfaction with the Shire's Community Consultation and Engagement Framework. 	<p>The 2015 Community Perceptions Survey found 45% satisfaction with how the community is consulted about local issues.</p>
4.5 Improved systems, processes and compliance.	<ul style="list-style-type: none"> Percentage of compliance with the annual Compliance Audit Return. 	<p>100% compliance with the annual Compliance Audit Return.</p>

2015/16 Financial Statements



2015/16 Financial Statements

Statement by the Chief Executive Officer.....	54
Statement of Comprehensive Income by Nature or Type.....	55
Statement of Comprehensive Income by Program.....	56
Statement of Financial Position.....	57
Statement of Changes in Equity.....	58
Statement of Cash Flows.....	59
Rate Setting Statement.....	60
Notes to and Forming Part of the Financial Report.....	61
Independent Auditor's Report.....	114
Independent Auditor's Report.....	115
Supplementary Ratio Information.....	116

Statement by the Chief Executive Officer

**SHIRE OF BROOME
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and other information for the financial year ended 30 June 2016 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2016 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the

3

day of

October

2016



Kenn Donohoe
Chief Executive Officer

Statement of Comprehensive Income by Nature or Type

For the Year Ended 30 June 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue				
Rates	23	20,901,177	20,905,834	20,315,923
Operating grants, subsidies and contributions	30	2,859,677	3,415,487	11,430,825
Fees and charges	29	10,853,588	11,160,612	10,186,692
Interest earnings	2(a)	1,217,083	961,500	1,269,519
Other revenue	2(a)	1,015,412	1,081,000	1,327,269
		<u>36,846,937</u>	<u>37,524,433</u>	<u>44,530,228</u>
Expenses				
Employee costs		(15,497,472)	(16,125,604)	(16,365,611)
Materials and contracts	2(a)	(9,837,659)	(11,606,888)	(9,640,308)
Utility charges	2(a)	(1,660,524)	(1,950,830)	(1,661,442)
Depreciation on non-current assets	2(a)	(12,081,440)	(5,659,800)	(5,579,994)
Interest expenses	2(a)	(207,202)	(211,112)	(271,433)
Insurance expenses		(702,784)	(735,169)	(712,005)
Other expenditure		(1,959,690)	(2,241,296)	(5,973,524)
		<u>(41,946,771)</u>	<u>(38,530,699)</u>	<u>(40,204,317)</u>
		(5,099,834)	(1,006,266)	4,325,911
Non-operating grants, subsidies and contributions	30	4,770,198	16,083,572	3,099,710
Profit on asset disposals	21	6,424	47,890	18,102
(Loss) on asset disposals	21	(64,980)	(113,688)	(6,393)
(Loss) on revaluation of Infrastructure - Recreation Areas	7(b)	0	0	(8,022,651)
Reversal of prior year loss on revaluation of plant and equipment	6(b)	325,066	0	0
Net result		<u>(63,126)</u>	<u>15,011,508</u>	<u>(585,321)</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	0	0	209,005,187
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>209,005,187</u>
Total comprehensive income		<u>(63,126)</u>	<u>15,011,508</u>	<u>208,419,866</u>

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

Statement of Comprehensive Income by Program For the Year Ended 30 June 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue				
	2(a)			
Governance		266,073	374,250	5,628,678
General purpose funding		22,242,126	22,148,718	23,808,634
Law, order, public safety		130,659	147,183	143,012
Health		188,156	168,300	185,763
Education and welfare		33,636	75,000	128,753
Housing		486,274	573,600	549,623
Community amenities		7,753,726	8,539,200	6,795,634
Recreation and culture		1,238,862	1,350,627	1,252,605
Transport		1,182,560	1,096,103	2,411,221
Economic services		830,954	889,754	1,006,342
Other property and services		2,493,911	2,161,698	2,619,963
		<u>36,846,937</u>	<u>37,524,433</u>	<u>44,530,228</u>
Expenses				
	2(a)			
Governance		(3,293,308)	(3,740,625)	(8,241,505)
General purpose funding		(381,142)	(245,850)	(380,972)
Law, order, public safety		(1,168,479)	(1,182,415)	(1,384,312)
Health		(679,897)	(780,115)	(723,080)
Education and welfare		(745,286)	(783,060)	(742,261)
Housing		(568,318)	(625,900)	(645,306)
Community amenities		(8,462,648)	(9,575,782)	(7,593,800)
Recreation and culture		(9,436,740)	(10,473,477)	(9,078,396)
Transport		(12,479,529)	(7,406,557)	(7,285,895)
Economic services		(1,516,684)	(1,706,010)	(1,392,884)
Other property and services		(3,007,538)	(1,799,796)	(2,464,473)
		<u>(41,739,569)</u>	<u>(38,319,587)</u>	<u>(39,932,884)</u>
Finance costs				
	2(a)			
Law, order, public safety		0	0	(253)
Community amenities		(2,139)	(2,155)	(4,868)
Recreation and culture		(196,109)	(199,405)	(235,159)
Economic services		(8,954)	(9,552)	(18,155)
Other property and services		0	0	(12,998)
		<u>(207,202)</u>	<u>(211,112)</u>	<u>(271,433)</u>
		<u>(5,099,834)</u>	<u>(1,006,266)</u>	<u>4,325,911</u>
Non-operating grants, subsidies and contributions				
	30	4,770,198	16,083,572	3,099,710
Profit on disposal of assets	21	6,424	47,890	18,102
(Loss) on disposal of assets	21	(64,980)	(113,688)	(6,393)
Fair value adjustments to financial assets at				
(Loss) on revaluation of Infrastructure - Recreation Areas	7(b)	0	0	(8,022,651)
Reversal of prior year loss on revaluation of plant and equipment	6(b)	325,066	0	0
		<u>5,036,708</u>	<u>16,017,774</u>	<u>(4,911,232)</u>
		<u>(63,126)</u>	<u>15,011,508</u>	<u>(585,321)</u>
Net result				
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	0	0	209,005,187
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>209,005,187</u>
Total comprehensive income		<u>(63,126)</u>	<u>15,011,508</u>	<u>208,419,866</u>

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

Statement of Financial Position

As at 30 June 2016

	NOTE	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	3	32,802,796	29,437,475
Trade and other receivables	4	2,767,937	2,441,296
Inventories	5	25,374	28,560
TOTAL CURRENT ASSETS		<u>35,596,107</u>	<u>31,907,331</u>
NON-CURRENT ASSETS			
Other receivables	4	17,498	17,498
Property, plant and equipment	6	88,879,451	88,618,790
Infrastructure	7	308,669,334	311,858,674
TOTAL NON-CURRENT ASSETS		<u>397,566,283</u>	<u>400,494,962</u>
TOTAL ASSETS		<u>433,162,390</u>	<u>432,402,293</u>
CURRENT LIABILITIES			
Trade and other payables	8	4,145,800	2,672,294
Current portion of long term borrowings	9	868,715	988,046
Provisions	10	2,209,990	1,890,913
TOTAL CURRENT LIABILITIES		<u>7,224,505</u>	<u>5,551,253</u>
NON-CURRENT LIABILITIES			
Long term borrowings	9	2,911,981	3,780,696
Provisions	10	301,357	282,671
TOTAL NON-CURRENT LIABILITIES		<u>3,213,338</u>	<u>4,063,367</u>
TOTAL LIABILITIES		<u>10,437,843</u>	<u>9,614,620</u>
NET ASSETS		<u>422,724,547</u>	<u>422,787,673</u>
EQUITY			
Retained surplus		120,676,373	124,038,894
Reserves - cash backed	12	28,994,858	25,695,463
Revaluation surplus	13	273,053,316	273,053,316
TOTAL EQUITY		<u>422,724,547</u>	<u>422,787,673</u>

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

Statement of Changes in Equity For The Year Ended 30 June 2016

Balance as at 30 June 2014		126,856,668	23,463,010	64,048,129	214,367,807
Comprehensive income					
Net result		(585,321)	0	0	(585,321)
Changes on revaluation of assets	13	<u>0</u>	<u>0</u>	<u>209,005,187</u>	<u>209,005,187</u>
Total comprehensive income		<u>(585,321)</u>	<u>0</u>	<u>209,005,187</u>	<u>208,419,866</u>
Transfers from/(to) reserves		(2,232,453)	2,232,453	0	0
Balance as at 30 June 2015		124,038,894	25,695,463	273,053,316	422,787,673
Comprehensive income					
Net result		(63,126)	0	0	(63,126)
Changes on revaluation of assets	13	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income		<u>(63,126)</u>	<u>0</u>	<u>0</u>	<u>(63,126)</u>
Transfers from/(to) reserves		(3,299,395)	3,299,395	0	0
Balance as at 30 June 2016	13	<u>120,676,373</u>	<u>28,994,858</u>	<u>273,053,316</u>	<u>422,724,547</u>

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

Statement of Cash Flows

For The Year Ended 30 June 2016

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		20,944,467	21,455,834	19,902,856
Operating grants, subsidies and contributions		2,510,747	4,469,987	11,728,038
Fees and charges		10,930,409	11,460,612	10,163,415
Interest earnings		1,217,083	961,500	1,269,548
Goods and services tax		2,753,498	3,201,417	3,246,778
Other revenue		1,027,616	26,500	1,326,744
		<u>39,383,820</u>	<u>41,575,850</u>	<u>47,637,379</u>
Payments				
Employee costs		(14,872,216)	(16,125,604)	(16,630,100)
Materials and contracts		(8,659,757)	(11,305,263)	(11,968,492)
Utility charges		(1,656,317)	(2,042,455)	(1,661,442)
Interest expenses		(211,112)	(211,112)	(281,675)
Insurance expenses		(702,784)	(735,169)	(712,005)
Goods and services tax		(2,863,525)	(3,001,417)	(3,494,381)
Other expenditure		(1,948,690)	(2,241,296)	(5,931,189)
		<u>(30,914,401)</u>	<u>(35,662,316)</u>	<u>(40,679,284)</u>
Net cash provided by (used in) operating activities	14(b)	<u>8,469,419</u>	<u>5,913,534</u>	<u>6,958,095</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(2,849,732)	(11,122,385)	(1,588,035)
Payments for construction of infrastructure		(6,254,609)	(19,835,117)	(5,350,835)
Non-operating grants, subsidies and contributions		4,770,198	16,083,572	3,099,710
Proceeds from sale of fixed assets		218,091	230,000	242,776
Net cash provided by (used in) investment activities		<u>(4,116,052)</u>	<u>(14,643,930)</u>	<u>(3,596,384)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(988,046)	(988,046)	(1,273,806)
Proceeds from self supporting loans		0	0	9,901
Proceeds from new debentures		0	5,076,722	0
Net cash provided by (used in) financing activities		<u>(988,046)</u>	<u>4,088,676</u>	<u>(1,263,905)</u>
Net increase (decrease) in cash held		<u>3,365,321</u>	<u>(4,641,720)</u>	<u>2,097,806</u>
Cash at beginning of year		29,437,475	25,845,909	27,339,669
Cash and cash equivalents at the end of the year	14(a)	<u>32,802,796</u>	<u>21,204,189</u>	<u>29,437,475</u>

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

Rate Setting Statement For The Year Ended 30 June 2016

	NOTE	Actual \$	Budget \$	Actual \$
Net current assets at start of financial year - surplus/(deficit)		<u>3,438,647</u>	<u>2,305,519</u>	<u>587,941</u>
		3,438,647	2,305,519	587,941
Revenue from operating activities (excluding rates)				
Governance		266,073	374,250	5,628,678
General purpose funding		1,340,949	1,242,884	3,492,711
Law, order, public safety		130,659	147,183	143,012
Health		188,156	168,300	185,763
Education and welfare		33,636	75,000	128,753
Housing		486,274	573,600	549,623
Community amenities		7,753,726	8,539,200	6,795,634
Recreation and culture		1,238,862	1,350,627	1,252,605
Transport		1,182,560	1,096,103	2,411,221
Economic services		830,954	889,754	1,006,342
Other property and services		2,500,335	2,209,588	2,638,065
		<u>15,952,184</u>	<u>16,666,489</u>	<u>24,232,407</u>
Expenditure from operating activities				
Governance		(3,293,308)	(3,740,625)	(8,241,505)
General purpose funding		(381,142)	(245,850)	(380,972)
Law, order, public safety		(1,168,479)	(1,182,415)	(1,384,565)
Health		(679,897)	(780,115)	(723,080)
Education and welfare		(745,286)	(783,060)	(742,261)
Housing		(568,318)	(625,900)	(645,306)
Community amenities		(8,464,787)	(9,577,937)	(7,605,061)
Recreation and culture		(9,632,849)	(10,672,882)	(9,313,555)
Transport		(12,479,529)	(7,406,557)	(7,285,895)
Economic services		(1,525,638)	(1,715,562)	(1,411,039)
Other property and services		(3,072,518)	(1,913,484)	(2,477,471)
		<u>(42,011,751)</u>	<u>(38,644,387)</u>	<u>(40,210,710)</u>
Operating activities excluded from budget				
(Profit) on disposal of assets	21	(6,424)	(47,890)	(18,102)
Loss on disposal of assets	21	64,980	113,688	6,393
Movement in employee benefit provisions (non-current)		(325,667)	0	37,542
Depreciation and amortisation on assets	2(a)	12,081,440	5,659,800	5,579,994
Amount attributable to operating activities		<u>(10,806,591)</u>	<u>(13,946,781)</u>	<u>(9,784,535)</u>
Investing Activities				
Non-operating grants, subsidies and contributions		4,770,198	16,083,572	3,099,710
Proceeds from disposal of assets	21	218,091	230,000	242,776
Purchase of property, plant and equipment	6(b)	(2,849,732)	(11,122,385)	(1,474,610)
Purchase and construction of infrastructure	7(b)	(6,254,609)	(19,835,117)	(5,464,259)
Amount attributable to investing activities		<u>(4,116,052)</u>	<u>(14,643,930)</u>	<u>(3,596,383)</u>
Financing Activities				
Repayment of debentures	22(a)	(988,046)	(988,046)	(1,273,806)
Proceeds from new debentures	22(a)	0	5,076,722	0
Proceeds from self supporting loans		0	0	9,901
Transfers to reserves (restricted assets)	12	(7,356,102)	(3,812,439)	(5,672,907)
Transfers from reserves (restricted assets)	12	4,056,707	7,350,187	3,440,454
Amount attributable to financing activities		<u>(4,287,441)</u>	<u>7,626,424</u>	<u>(3,496,358)</u>
Surplus (deficiency) before general rates		<u>(19,210,084)</u>	<u>(20,964,287)</u>	<u>(16,877,276)</u>
Total amount raised from general rates	23	<u>20,901,177</u>	<u>20,905,834</u>	<u>20,315,923</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	24	<u>1,691,093</u>	<u>(58,453)</u>	<u>3,438,647</u>

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) 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), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical accounting estimates

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

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

The local government reporting entity

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

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 20 to these financial statements.

(b) 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.

(c) Cash and Cash Equivalents

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Cash and Cash Equivalents (continued)

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

(d) Trade and Other Receivables

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

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

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

(e) Inventories

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.

Land held for sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire revalues its asset classes in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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

Land under roads

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

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

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

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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

Depreciation

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

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

- Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

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

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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

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

Capitalisation threshold

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(g) Fair Value of Assets and Liabilities

When performing a revaluation, the Shire uses a mix of both independent and management valuations using the following as a guide:

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.

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.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities (continued)

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 an asset at its current service capacity.

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.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

(h) Financial Instruments

Initial recognition and measurement

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

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (continued)

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (continued)

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

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

(v) Financial liabilities

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

Impairment

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

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

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

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

Derecognition

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

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.

(i) Impairment of Assets

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of Assets (continued)

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

(j) 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.

(k) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other 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 rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) 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.

(m) 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.

(n) 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 amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

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

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

(o) Investment in Associates

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

(q) Rates, Grants, Donations and Other Contributions

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

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

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

(r) 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.

(s) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Shire's intentions to release for sale.

(t) Rounding Off Figures

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

(u) Comparative Figures

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Comparative Figures (continued)

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, 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.

(v) Budget Comparative Figures

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	<p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.</p> <p>This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i>, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p> <p>Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.</p>
(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	<p>This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.</p> <p>Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.</p>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15. It will require changes to reflect the impact of AASB 15.
(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.
(viii) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation. The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities. The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Adoption of New and Revised Accounting Standards

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

These new and revised standards were as follows:

- (i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- (ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

2. REVENUE AND EXPENSES	2016	2015
	\$	\$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Significant expense		
Governance - CLGF Key Worker Housing	0	4,795,477
Governance - Other	<u>0</u>	<u>3,446,028</u>
Auditors remuneration		
- Audit of the Annual Financial Report - Current	12,655	0
- Audit of the Annual Financial Report - Previous	31,704	35,332
- Other	<u>6,490</u>	<u>22,636</u>
	<u>50,849</u>	<u>57,968</u>
Utility Charges		
For the financial year ended 30 June 2015 and 30 June 2016, a change to the classification of telephone charges was made. Telephone charges had previously been reported as a utility charge. These charges are now classified as materials and contracts.		
Depreciation		
Buildings - non-specialised	1,507,561	1,536,947
Furniture and Equipment	293,642	352,384
Plant and Equipment	836,288	750,829
Infrastructure - Roads	6,843,729	2,254,365
Infrastructure - Carparks, Footpaths & Bridges	866,575	0
Infrastructure - Drainage	941,210	148,272
Infrastructure - Recreation Areas	206,652	389,203
Infrastructure - Other	<u>585,783</u>	<u>147,994</u>
	<u>12,081,440</u>	<u>5,579,994</u>
Interest expenses (finance costs)		
Debentures (refer Note 22 (a))	<u>207,202</u>	<u>271,433</u>
	<u>207,202</u>	<u>271,433</u>
Rental charges		
- Operating leases	<u>504,327</u>	<u>565,569</u>
	<u>504,327</u>	<u>565,569</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

2. REVENUE AND EXPENSES (Continued)	2016	2015
	\$	\$
(a) Net Result (Continued)		
(ii) Crediting as revenue:		
Other revenue		
Reimbursements and recoveries	998,392	1,295,420
Significant revenue (refer above)	0	0
Other	<u>17,020</u>	<u>31,849</u>
	<u>1,015,412</u>	<u>1,327,269</u>

For the financial year ended 30 June 2015, the amounts reported in Note 2(a) as Reimbursements and recoveries were incorrectly reported in the Statement of Comprehensive Income as Operating grants, subsidies and contributions. Reimbursements and recoveries have been reclassified and reported as Other Revenue.

	2016 Actual \$	2016 Budget \$	2015 Actual \$
Interest earnings			
- Loans receivable - clubs/institutions	0	0	297
- Reserve funds	705,734	567,500	779,283
- Other funds	218,422	177,000	240,516
Other interest revenue (refer note 28)	<u>292,927</u>	<u>217,000</u>	<u>249,423</u>
	<u>1,217,083</u>	<u>961,500</u>	<u>1,269,519</u>

(b) Statement of Objective

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

COMMUNITY VISION

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

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

GOVERNANCE

Administration and operation of facilities and services to members of council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

LAW, ORDER, PUBLIC SAFETY

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

HEALTH

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

EDUCATION AND WELFARE

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

HOUSING

Provision of staff housing.

COMMUNITY AMENITIES

Rubbish collection services, tip operation, administration of the town planning scheme, maintenance of cemeteries, storm water drainage maintenance, sanitation maintenance and environmental protection.

RECREATION AND CULTURE

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

TRANSPORT

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

ECONOMIC SERVICES

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

OTHER PROPERTY AND SERVICES

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 2016

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

	Opening Balance ⁽¹⁾ 1/07/14	Received ⁽²⁾ 2014/15	Expended ⁽³⁾ 2014/15	Closing Balance ⁽¹⁾ 30/06/15	Received ⁽²⁾ 2015/16	Expended ⁽³⁾ 2015/16	Closing Balance ⁽¹⁾ 30/06/16
Function/Activity	\$	\$	\$	\$	\$	\$	\$
Don't Zoom in Broome Project Grant	2,096			2,096	0	0	2,096
EDL sponsorship and spent	357,426	13,430	(77,029)	293,827	9,472	(67,264)	236,035
DLGC National Youth Week Grant	247	0	0	247	0	0	247
FESA State Emergency Service & Volunteer Bush Fire Brigade Operational and Grant funding	17,093	0	0	17,093	0	0	17,093
Clean Up Aboriginal Communities Operational Grant	16,136	0	0	16,136	0	0	16,136
Department of Health - FIMMWA Mosquito Control Advisory Committee Funding for Mosquito control	7,446	21,200	(25,106)	3,540	38,029	(35,029)	3,540
Office of Crime Prevention Grant - Community Safety & Crime Prevention Plan & LGA Partnership Fund - Initiative Lighting Up Arnie St Precinct	3,837	0	0	3,837	0	(5)	3,832
Department of Attorney-General - Hypnoid Grant	2,500	0	0	2,500	0	0	2,500
Care of Families & Children Grants - Broome Teranis Strategy	9,507	0	0	9,507	0	0	9,507
O'CAM Donation for Broome Cemetery Committee from Mollie Bean	150	0	0	150	0	0	150
Department of Regional Development - Northern Planning Fund - Land Use Supply Officer	89,176	0	(89,176)	0	0	0	0
Ranglands NRW Water Quality Monitoring Program - Protection of Environment	1,091	0	0	1,091	0	0	1,091
Ranglands NRW State of the Environment Report - Protection of Environment	28,200	0	(28,200)	0	0	0	0
DLG Grant Chinatown Development Grant Job 107671 (Public Shade Chinatown)	83,157	0	(83,157)	0	0	0	0
DRD Grant CLGF 2012/2013 Funding Allocation Job 116129 (Jetty to Jetty Project Design & Construction, Feasibility & Planning)	21,433	0	(21,433)	0	0	0	0
Local Government ROR 12-13 Grant - BRAC Aquatic - Exp job 117127	500	0	(500)	0	0	0	0
Parks and Ovals Grants - Lions Club BBO grant	330	0	0	330	0	0	330
State Library of WA - Library Grant	2,107	21,544	(17,971)	5,680	28,824	(15,238)	19,266
Swimming Areas & Beaches - Entrance Point Jetty Planning Grant RBFS	38,300	0	0	38,300	0	0	38,300
Grant from Sport 4 All - Kidsport Grant	35,639	33,250	(64,639)	4,250	50,000	(44,432)	9,818
Road Maintenance - Office Native Title, Morrell Park maintenance	279,237	0	(8,163)	271,074	0	(20,000)	251,074
Roads to Recovery Unspent Grant re Unallocated	14,104	0	0	14,104	0	0	14,104
Roads to Recovery Unspent Grant re Unallocated	23,101	0	(59,245)	140,755	0	0	23,101
Royalties for Regions Grant Lomkeet Drive	48	0	0	48	0	0	48
Street Lighting Const Grant Undergrnd Power CTown Upgrade	1,006	0	0	1,006	0	0	1,006
WALGA Grant Road Safety Activities	1,200	0	0	1,200	0	0	1,200
Frederick Street and Dampier St Connection - Urban New Infra	0	300,000	0	300,000	0	(300,000)	0
Sunderling/ Spoonbill Pedestrian Improvements - Upgrade Rd Const	0	21,333	0	21,333	0	(21,333)	0
Tourism Grants - Visitors Center & Railway Line Project	50,000	0	0	50,000	0	0	50,000
Perth Royal Show - Guest Town Promotions Contributions	5,659	110,000	(115,659)	0	0	0	0
WALGA POLICE HEADQUARTERS Community Safety Grant - (New Visitor Centre Building Upgrade CCTV)	2,035	0	0	2,035	0	(2,035)	0
Key Worker Housing	0	561,758	(5,916)	555,842	0	(555,842)	0
Landcorp Development Contributions Plan and Scheme Amendment	0	0	0	0	200,000	(46,019)	151,981
Department of Planning Coastal Hazard Risk Management and Adaption Plan	0	0	0	0	40,000	(9,427)	30,573
Landcorp Development Contribution BRAC aquatic upgrade	0	0	0	0	1,035,000	(76,117)	956,883
Rio Into Contribution Apprentices Incubation Programme	0	0	0	0	33,142	(15,923)	17,219
Total	1,092,761	1,282,515	(596,194)	1,779,082	1,434,467	(1,215,664)	1,997,895

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.
- (4) - Includes \$1,921,095 of Unspent Grants held in Restricted Cash Reserve at 30 June 2016 (\$1,344,500 at 30 June 2015), \$140,755 held in the Road Reserve at 30 June 2016 (\$140,755 at 30 June 2015), and \$236,035 held in the EDL Reserve at 30 June 2016 (\$293,826 at 30 June 2015).

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		3,807,938	3,742,012
Restricted		<u>28,994,858</u>	<u>25,695,463</u>
		<u>32,802,796</u>	<u>29,437,475</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	12	1,445,633	1,789,986
Building Reserve	12	3,775,847	2,922,793
Public Open Space Reserve	12	860,010	731,954
Drainage Reserve	12	1,620,493	1,637,697
Plant Reserve	12	1,476,655	1,047,874
BRAC (Leisure Centre) Reserve	12	51,495	49,887
Road Reserve	12	2,222,495	1,616,575
Footpath Reserve	12	2,231,163	2,450,843
Car Park Reserve	12	459,387	445,040
IT & Equipment Reserve	12	312,797	303,028
Refuse Site Reserve	12	4,175,520	4,053,026
Resource Recovery Park Reserve	12	7,216,863	4,243,919
Restricted Cash Reserve - Including unspent Loans & Grants	12	2,534,220	3,254,336
Community Sponsorship Reserve	12	45,287	30,193
EDL Reserve	12	236,034	293,826
Kimberley Zone Reserve	12	176,835	670,331
Public Art Reserve	12	154,124	154,155
		<u>28,994,858</u>	<u>25,695,463</u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		852,624	895,914
Sundry debtors		1,437,118	1,234,471
GST receivable		363,160	253,133
Bonds and Deposits held by others		43,949	45,767
Other current Receivables		71,086	12,011
		<u>2,767,937</u>	<u>2,441,296</u>
Non-current			
Rates outstanding - pensioners		17,498	17,498
		<u>17,498</u>	<u>17,498</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
5. INVENTORIES		
Current		
Fuel and materials	22,607	24,355
BRAC Stock	2,767	4,205
	<u>25,374</u>	<u>28,560</u>
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Land - freehold at:		
- Independent valuation 2014 - level 3	5,820,000	5,820,000
- Additions after valuation - cost	256,247	0
	<u>6,076,247</u>	<u>5,820,000</u>
Land - vested in and under the control of Council at:		
- Cost	16,076,532	16,076,532
	<u>16,076,532</u>	<u>16,076,532</u>
Total Land	<u>22,152,779</u>	<u>21,896,532</u>
Buildings - non-specialised at:		
- Independent valuation 2014 - level 3	59,724,538	59,724,538
- Additions after valuation - cost	652,969	0
- Current year additions after valuation - cost	561,846	652,969
Less: accumulated depreciation	(3,044,508)	(1,536,947)
	<u>57,894,845</u>	<u>58,840,560</u>
Total Buildings	<u>57,894,845</u>	<u>58,840,560</u>
Total Land and Buildings	<u>80,047,624</u>	<u>80,737,092</u>
Furniture and Equipment at:		
- Management valuation 2015 - level 3	847,395	847,395
- Additions after valuation - cost	477,724	0
Less accumulated depreciation	(293,642)	0
	<u>1,031,477</u>	<u>847,395</u>
Plant and Equipment at:		
- Management valuation 2013 - level 3	0	6,916,450
- Management valuation 2016 - level 3	7,131,265	0
- Additions after valuation - cost	0	1,359,185
Less accumulated depreciation	0	(1,410,101)
	<u>7,131,265</u>	<u>6,865,534</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
6 (a). PROPERTY, PLANT AND EQUIPMENT (continued)		
Work in Progress - Land & Buildings at:		
- C/Forward	168,769	294,987
- Additions after valuation - cost	428,115	121,154
- Transfer of Works in Progress	(5,916)	(247,372)
Less accumulated amortisation	<u>0</u>	<u>0</u>
	590,968	168,769
Work in Progress - Plant & Equipment at:		
- Additions after valuation - cost	78,117	0
Less accumulated depreciation	<u>0</u>	<u>0</u>
	78,117	0
Total Property, Plant and Equipment	<u>88,879,451</u>	<u>88,618,790</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold	5,820,000	256,247	0	0	0	0	0	0	6,076,247
Land - vested in and under the control of Council	16,076,532	0	0	0	0	0	0	0	16,076,532
Total land	21,896,532	256,247	0	0	0	0	0	0	22,152,779
Buildings - non-specialised	58,840,560	555,930	0	0	0	0	(1,507,561)	5,916	57,894,845
Total buildings	58,840,560	555,930	0	0	0	0	(1,507,561)	5,916	57,894,845
Total land and buildings	80,737,092	812,177	0	0	0	0	(1,507,561)	5,916	80,047,624
Furniture and Equipment	847,395	477,724	0	0	0	0	(293,642)	0	1,031,477
Plant and Equipment	6,865,534	1,053,599	(276,646)	0	325,066	0	(836,288)	0	7,131,265
Work in Progress - Land & Buildings	168,769	428,115	0	0	0	0	0	(5,916)	590,968
Work in Progress - Plant & Equipment	0	78,117	0	0	0	0	0	0	78,117
Total property, plant and equipment	88,613,790	2,849,732	(276,646)	0	325,066	0	(2,637,491)	0	88,879,451

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and Buildings					
Land - freehold	3	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2014	Sales comparisons (level 2 inputs)
Land - vested in and under the control of Council	3	Improvements to land valued using cost approach using depreciated replacement cost	Management valuation	June 2014	At cost
Buildings - non-specialised	3	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2014	Sales comparisons per lettable area (level 2 inputs), depreciated replacement cost per unit area and estimated useful life (Level 3 inputs)
Furniture and Equipment					
	3	Market approach using recent observable market data for similar assets	Management valuation	June 2015	Market price per item, adjusted for condition and comparability
Plant and Equipment					
- Management valuation 2013	3	Market Approach using recent observable market data for similar assets	Management valuation	June 2013	Current replacement cost (market price per item) and condition assessment (level 2 inputs), residual values & estimated useful life (Level 3 inputs)
- Management valuation 2016	3	Market Approach using recent observable market data for similar assets	Management valuation	June 2016	Current replacement cost (market price per item) and condition assessment (level 2 inputs), residual values & estimated useful life (Level 3 inputs)

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

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
7 (a). INFRASTRUCTURE		
Infrastructure - Roads		
- Management valuation 2015 - level 3	323,849,950	323,849,950
- Additions after valuation - cost	1,965,174	0
- Current year additions after valuation - cost	4,460,787	1,965,174
Less accumulated depreciation	<u>(99,194,928)</u>	<u>(92,351,199)</u>
	231,080,983	233,463,925
Infrastructure - Carparks, Footpaths & Bridges		
- Management valuation 2015 - level 3	48,127,680	48,127,680
- Additions after valuation - cost	623,241	0
- Current year additions after valuation - cost	491,439	623,241
Less accumulated depreciation	<u>(19,271,595)</u>	<u>(18,405,020)</u>
	29,970,765	30,345,901
Infrastructure - Drainage		
- Management valuation 2015 - level 3	65,843,215	65,843,215
- Additions after valuation - cost	360,282	0
- Current year additions after valuation - cost	1,048,092	360,282
Less accumulated depreciation	<u>(25,985,819)</u>	<u>(25,044,609)</u>
	41,265,770	41,158,888
Infrastructure - Recreation Areas		
- Management valuation 2015 - level 3	3,883,913	3,883,913
- Additions after valuation - cost	1,215,579	0
- Current year additions after valuation - cost	127,352	1,215,579
Less accumulated depreciation	<u>(2,603,181)</u>	<u>(2,396,529)</u>
	2,623,663	2,702,963
Infrastructure - Other		
- Management valuation 2015 - level 3	5,869,936	5,869,936
- Additions after valuation - cost	621,563	0
- Current year additions after valuation - cost	185,495	621,563
Less accumulated depreciation	<u>(3,793,873)</u>	<u>(3,208,090)</u>
	2,883,121	3,283,409
Work in Progress - Roads, F/Path & Bridges		
- C/Forward	109,532	64,882
- Additions cost	19,487	109,532
- Transfer of Works in Progress	(109,532)	(64,882)
Less accumulated depreciation	<u>0</u>	<u>0</u>
	19,487	109,532

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
7 (a). INFRASTRUCTURE (Continued)		
Work in Progress - Recreation Areas Infrastructure		
- C/Forward	0	30,390
- Transfer of Works in Progress	0	(30,390)
Less accumulated depreciation	0	0
	<u>0</u>	<u>0</u>
Work in Progress - Drainage Infrastructure		
- C/Forward	78,334	0
- Additions cost	0	78,334
- Transfer of Works in Progress	(78,334)	0
Less accumulated depreciation	0	0
	<u>0</u>	<u>78,334</u>
Work in Progress - Other Infrastructure		
- C/Forward	715,722	243,319
- Additions cost	109,823	507,971
- Transfer of Works in Progress	0	(35,568)
Less accumulated depreciation	0	0
	<u>825,545</u>	<u>715,722</u>
Total Infrastructure	<u><u>308,669,334</u></u>	<u><u>311,858,674</u></u>

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening 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 infrastructure to be shown at fair value.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to	Revaluation (Loss)/ Reversal Transferred to	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	233,463,925	4,369,841	0	0	0	0	(6,843,729)	90,946	231,080,983
Infrastructure - Carparks, Footpaths & Bric	30,345,901	472,853	0	0	0	0	(866,575)	18,586	29,970,765
Infrastructure - Drainage	41,158,888	969,758	0	0	0	0	(941,210)	78,334	41,265,770
Infrastructure - Recreation Areas	2,702,963	127,352	0	0	0	0	(206,652)	0	2,623,663
Infrastructure - Other	3,283,409	185,495	0	0	0	0	(585,783)	0	2,883,121
Work in Progress - Roads, F/Path & Bridg	109,532	19,487	0	0	0	0	0	(109,532)	19,487
Work in Progress - Drainage Infrastructure	78,334	0	0	0	0	0	0	(78,334)	0
Work in Progress - Other Infrastructure	715,722	109,823	0	0	0	0	0	0	825,545
Total Infrastructure	311,856,674	6,254,609	0	0	0	0	(9,443,949)	0	308,669,334

In the Financial Statements for the year ended 30 June 2015 the revaluation decrement of \$8,022,651 for the asset class 'Infrastructure - Recreational Areas' was incorrectly netted against revaluation increments for all other infrastructure classes and was included in the Revaluation Surplus instead of being recognised in the Statement of Comprehensive Income. A prior year adjustment has been made to correctly recognise the Revaluation Decrement of \$8,022,651 in the Statement of Comprehensive Income.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Carparks, Footpaths & Bridges	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Recreation Areas	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Other	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Work in Progress - Roads, F/Path & Bridges	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	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 2016

	2016	2015
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	2,979,535	2,175,911
Accrued interest on debentures	7,968	11,878
Accrued salaries and wages	499,031	253,675
ATO liabilities	45,021	2,884
Excess Rates	181,158	177,552
Prepaid Rent, Grants and Services	33,182	0
Accrued Expenses	399,905	50,394
	<u>4,145,800</u>	<u>2,672,294</u>

9. LONG-TERM BORROWINGS

Current

Secured by floating charge

Debentures

868,715	988,046
<u>868,715</u>	<u>988,046</u>

Non-current

Secured by floating charge

Debentures

2,911,981	3,780,696
<u>2,911,981</u>	<u>3,780,696</u>

Additional detail on borrowings is provided in Note 22.

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2015			
Current provisions	1,194,871	696,042	1,890,913
Non-current provisions	0	282,671	282,671
	<u>1,194,871</u>	<u>978,713</u>	<u>2,173,584</u>
Additional provision	(21,342)	12,152	(9,190)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	115,847	231,106	346,953
Balance at 30 June 2016	<u>1,289,376</u>	<u>1,221,971</u>	<u>2,511,347</u>
Comprises			
Current	1,289,376	920,614	2,209,990
Non-current	0	301,357	301,357
	<u>1,289,376</u>	<u>1,221,971</u>	<u>2,511,347</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

12. RESERVES - CASH BACKED

	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$	Budget 2016 Opening Balance \$	Budget 2016 Transfer to \$	Budget 2016 Transfer (from) \$	Budget 2016 Closing Balance \$	Actual 2015 Opening Balance \$	Actual 2015 Transfer to \$	Actual 2015 Transfer (from) \$	Actual 2015 Closing Balance \$
Leave Reserve	1,789,986	113,139	(457,492)	1,445,633	1,789,986	51,200	0	1,841,186	1,725,163	64,823	0	1,789,986
Building Reserve	2,922,793	1,128,576	(275,522)	3,775,847	3,565,435	114,400	(1,576,114)	2,103,721	2,832,185	208,877	(118,269)	2,922,793
Public Open Space Reserve	731,954	128,056	0	860,010	783,554	22,200	0	805,754	1,195,098	44,961	(508,105)	731,954
Drainage Reserve	1,637,697	52,796	(70,000)	1,620,493	1,583,245	44,600	(70,000)	1,557,845	1,729,997	79,528	(171,828)	1,637,697
Plant Reserve	1,047,874	428,781	0	1,476,655	1,047,873	224,600	0	1,272,473	1,055,260	39,614	(47,000)	1,047,874
BRAC (Leisure Centre) Reserve	49,887	1,608	0	51,495	61,079	100	0	61,179	58,867	2,212	(11,192)	49,887
Road Reserve	1,616,575	902,128	(296,208)	2,222,495	1,189,712	29,300	(371,333)	847,679	1,146,835	528,368	(98,628)	1,616,575
Footpath Reserve	2,450,843	79,010	(298,690)	2,231,163	2,376,060	65,300	(318,748)	2,122,612	2,818,311	126,176	(493,644)	2,450,843
Car Park Reserve	445,040	14,347	0	459,387	384,840	11,300	0	396,140	397,832	75,178	(27,970)	445,040
IT & Equipment Reserve	303,028	9,769	0	312,797	303,028	8,500	0	311,528	291,662	11,366	0	303,028
Refuse Site Reserve	4,053,026	130,660	(8,166)	4,175,520	3,798,887	90,900	(1,363,708)	2,526,079	4,640,534	758,725	(1,346,233)	4,053,026
Resource Recovery Park Reserve	4,243,919	3,157,994	(185,050)	7,216,863	3,676,789	3,129,139	(600,000)	6,205,928	2,005,562	2,415,652	(177,295)	4,243,919
Restricted Cash Reserve	3,254,336	1,175,809	(1,895,925)	2,534,220	2,698,758	0	(2,698,758)	0	2,769,059	888,538	(403,261)	3,254,336
Community Sponsorship Reserve	30,193	15,094	0	45,287	11,923	200	0	12,123	11,498	18,695	0	30,193
EDL Reserve	293,826	9,472	(67,264)	236,034	318,826	7,500	(80,000)	246,326	357,425	13,430	(77,029)	293,826
Kimberley Zone Reserve	670,331	3,894	(497,390)	176,835	417,247	13,200	(266,526)	163,921	427,722	242,609	0	670,331
Public Art Reserve	154,155	4,969	(5,000)	154,124	154,155	0	(5,000)	149,155	0	154,155	0	154,155
	25,695,463	7,356,102	(4,056,707)	28,994,858	24,161,397	3,812,439	(7,350,187)	20,623,649	23,463,010	5,672,907	(3,440,454)	25,695,463

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

12. RESERVES - CASH BACKED (continued)

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
Building Reserve	Ongoing	To be used for renewal, upgrade, replacement or new building construction and associated infrastructure
Public Open Space Reserve	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.
Drainage Reserve	Ongoing	To be used for the renewal, upgrade or construction of drainage services. Typically funds are from contributions made by developers.
Plant Reserve	Ongoing	To be used for the renewal, upgrade or purchase of new mobile plant and engineering
BRAC (Leisure Centre) Reserve	Ongoing	To be used for the construction of recreation infrastructure and facilities.
Road Reserve	Ongoing	To be used for renewal, upgrade or new streets and roads.
Footpath Reserve	Ongoing	To be used for renewal, upgrade or new footpaths. Typically funds are from contributions made by developers.
Car Park Reserve	Ongoing	To be used for renewal, upgrade or new carparks. Typically funds are from "Cash In Lieu" payments from developers.
IT & Equipment Reserve	Ongoing	To be used for renewal, upgrade or new office equipment, IT hardware and software.
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.
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: <ul style="list-style-type: none"> i) The future construction of a new facility; ii) the future subsequent and ongoing costs of maintaining the site in accordance with operational requirements and environmental guidelines; or iii) the costs of future rehabilitation of the site.
Restricted Cash Reserve	Ongoing	To be used for unspent grant and loan funds.
Community Sponsorship Reserve	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 projects to be spent on community projects as approved by Energy Development Limited.
EDL Reserve	Ongoing	To hold funds set aside annually to fund future projects and initiatives for the Kimberley Zone of WALGA and/or Regional Collaborative Groups.
Kimberley Zone Reserve	Ongoing	To hold funds set aside annually to fund future public art projects and initiatives within the Shire.
Public Art Reserve	Ongoing	

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

13. REVALUATION SURPLUS

	2016			2016			2015			
	Opening Balance	Revaluation Increment	Revaluation Decrement	Total Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation Decrement	Total Movement on Revaluation	Closing Balance
Land and buildings	\$ 35,691,909	\$ 0	\$ 0	\$ 0	\$ 35,691,909	\$ 35,691,910	\$ 0	\$ 0	\$ 0	\$ 35,691,909
Furniture and Equipment	439,874	0	0	0	439,874	0	439,874	0	439,874	439,874
Infrastructure - Roads	180,313,246	0	0	0	180,313,246	28,356,220	151,957,026	0	151,957,026	180,313,246
Infrastructure - Carparks, Footpaths & Bridges	22,251,434	0	0	0	22,251,434	0	22,251,434	0	22,251,434	22,251,434
Infrastructure - Drainage	34,087,407	0	0	0	34,087,407	0	34,087,407	0	34,087,407	34,087,407
Infrastructure - Other	269,446	0	0	0	269,446	0	269,446	0	269,446	269,446
	<u>273,053,316</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>273,053,316</u>	<u>64,048,130</u>	<u>209,005,187</u>	<u>0</u>	<u>209,005,187</u>	<u>273,053,316</u>

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

In the Financial Statements for the year ended 30 June 2015, the revaluation increment against the Asset Revaluation Surplus for Infrastructure was incorrectly disclosed. The revaluation decrement of \$8,022,651 was incorrectly disclosed as a reduction to the revaluation surplus when it should have been recognised as an expense in the Statement of Comprehensive Income. This had the effect of increasing the asset revaluation surplus by \$8,022,651 to \$273,053,328 and decreasing the retained surplus balance by \$8,022,651 to \$124,038,990. A prior year adjustment has been made to correctly recognise the Revaluation Decrement of \$8,022,651 in the Statement of Comprehensive Income.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2016 \$	2016 Budget \$	2015 \$
Cash and cash equivalents	<u>32,802,796</u>	<u>21,204,189</u>	<u>29,437,475</u>

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

Net result	(63,126)	15,011,508	(585,321)
Non-cash flows in Net result:			
Depreciation	12,081,440	5,659,800	5,579,994
(Profit)/Loss on sale of asset	58,556	65,798	(11,709)
Fair value adjustments to fixed assets at fair value through profit or loss	0	0	8,022,651
Reversal of Loss on revaluation of fixed assets	(325,066)	0	0
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(326,641)	1,050,000	(367,842)
(Increase)/Decrease in inventories	3,186	(10,000)	16,785
Increase/(Decrease) in payables	1,473,505	220,000	(2,292,922)
Increase/(Decrease) in provisions	337,763	0	(303,831)
Grants contributions for the development of assets	<u>(4,770,198)</u>	<u>(16,083,572)</u>	<u>(3,099,710)</u>
Net cash from operating activities	<u>8,469,419</u>	<u>5,913,534</u>	<u>6,958,095</u>

	2016 \$	2015 \$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	700,000	700,000
Bank overdraft at balance date	0	0
Credit card limit	25,000	25,000
Credit card balance at balance date	<u>(1,728)</u>	<u>0</u>
Total amount of credit unused	<u>723,272</u>	<u>725,000</u>
Loan facilities		
Loan facilities - current	868,715	988,046
Loan facilities - non-current	<u>2,911,981</u>	<u>3,780,696</u>
Total facilities in use at balance date	<u>3,780,696</u>	<u>4,768,742</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

	2016 \$	2015 \$
15. CONTINGENT LIABILITIES		
Shinju Matsuri Loan/Overdraft Guarantee	15,000	15,000
	<u>15,000</u>	<u>15,000</u>
16. CAPITAL AND LEASING COMMITMENTS		
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	216,613	226,093
- later than one year but not later than five years	0	0
- later than five years	0	0
	<u>216,613</u>	<u>226,093</u>
(b) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	3,028,607	294,334
- plant & equipment purchases	241,093	301,861
Payable:		
- not later than one year	856,586	596,195
30 June 2016		
Mobile Plant and Equipment		
Turf Renovator replacement		
Trailer Flatbed		
Trailer Polmac Caged Tipper		
Other Plant and Equipment		
BRAC Pool Upgrade		
Infrastructure Construction		
Waste Facility Weighbridge		
Bin renewal Program (Contract 14/01)		
Roebuck Bay Caravan Park - Fencing and civil road maintenance		
KRO2 Building upgrade		
KRO Building Construction - Project Management		
Town Beach Water Park Shade Sail		
Depot Building Upgrade		

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

17. JOINT VENTURE ARRANGEMENTS

The Shire is not involved in any joint venture arrangements.

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2016	2015
	\$	\$
Governance	412,869	964,157
General purpose funding	7,212,279	7,909,758
Law, order, public safety	791,753	871,124
Health	14,749	17,314
Education and welfare	0	358
Housing	3,648,734	2,942,434
Community amenities	56,244,312	53,328,212
Recreation and culture	37,699,329	38,154,512
Transport	267,152,269	269,957,795
Economic services	9,084,132	8,208,460
Other property and services	32,954,063	32,472,021
Unallocated	17,947,901	17,576,148
	<u>433,162,390</u>	<u>432,402,293</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

	2016	2015	2014
19. FINANCIAL RATIOS			
Current ratio	1.14	1.65	0.90
Asset sustainability ratio	0.29	0.50	0.58
Debt service cover ratio	5.97	6.59	4.06
Operating surplus ratio	(0.14)	(0.11)	0.01
Own source revenue coverage ratio	0.81	0.82	0.86

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 sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 64 of this document.

Three of the 2014 ratios disclosed above are distorted by items of significant revenue and expenses relating to the initial recognition of Buildings on land under the Shire's control in accordance with amendments to the Financial Management Regulations amounting to \$1,756,875. This forms part of operating revenue.

These items of significant revenue and expenditure are considered "one-off" and are non-cash in nature and, if they were ignored, the calculations disclosed in the 2014 column would be disclosed as below.

Two of the 2016 and 2015 ratios disclosed above are distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015. The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$1,486,197.

The early payment was considered to be "one-off" and if recognised in the year to which the allocation related the calculations in the 2016 and 2015 columns above would be as follows:

	2016	2015	2014
Debt service cover ratio	7.21	5.63	2.95
Operating surplus ratio	(0.10)	(0.16)	(0.05)
Own source revenue coverage ratio	0.81	0.82	0.82

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

20. TRUST FUNDS

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

	1 July 2015	Amounts Received	Amounts Paid	30 June 2016
	\$	\$	(\$)	\$
Footpath Damage Deposits	32,276	0	0	32,276
Library Transient Borrower Deposits	2,950	0	(40)	2,910
Election Nomination Deposits	0	960	(960)	0
Other General Purpose Deposits	8,493	0	0	8,493
BCITF Collection & Refund Deposits	8,587	95,610	(98,487)	5,710
Town Planning Related Bond Deposits	146,207	(40,000)	0	106,207
Cemetery Plot Reservation Deposits	19,453	9,593	0	29,046
Recreation Facility use Bond Deposits	11,573	21,652	(10,975)	22,250
Road & Footpath Facilities Bond Deposits	758,505	0	(251,559)	506,946
Capital Works Bond Deposits	3,060	0	0	3,060
Cash In Lieu Of Public Open Space	99,876	0	0	99,876
Bank Guarantee Deposits Received	52,618	0	(36,187)	16,431
BRB Levy	5,797	67,629	(65,594)	7,832
Unclaimed Monies	19,971	1,328	0	21,299
Staff Rental Bonds	40,484	4,264	(19,342)	25,406
Key Deposits	2,020	0	0	2,020
Chinatown Revitalisation DRD Grant	0	11,000,512	0	11,000,512
	<u>1,211,870</u>	<u>11,161,548</u>	<u>(483,144)</u>	<u>11,890,274</u>

21. DISPOSALS OF ASSETS - 2015/16 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Other property and services	276,647	218,091	6,424	(64,980)	295,798	230,000	47,890	(113,688)
	<u>276,647</u>	<u>218,091</u>	<u>6,424</u>	<u>(64,980)</u>	<u>295,798</u>	<u>230,000</u>	<u>47,890</u>	<u>(113,688)</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2015 \$	New Loans \$	Principal Repayments		Principal 30 June 2016		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget
Community amenities								
Millington Road Drainage Construction	45,294	0	45,294	45,294	0	0	2,139	2,155
Recreation and culture								
BRAC (Recreation Centre) Stage 1	209,066	0	101,089	101,089	107,977	107,977	12,156	12,342
BRAC Stage 2A	303,750	0	147,211	147,211	156,539	156,539	14,352	16,693
BRAC Stage 2B (Car Park & Oval Completion)	221,661	0	50,286	50,286	171,375	171,375	13,389	13,415
Civic Centre Redevelopment	3,165,270	0	400,887	400,887	2,764,383	2,764,383	120,935	121,108
BRAC Pavillion	634,151	0	91,038	91,038	543,113	543,113	35,277	35,847
Economic services								
Visitors Centre Construction	117,156	0	117,156	117,156	0	0	5,533	5,573
Visitor Centre Stage 2	72,394	0	35,085	35,085	37,309	37,309	3,421	3,979
	4,768,742	0	988,046	988,046	3,780,696	3,780,696	207,202	211,112

Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

22. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2015/16

The Shire did not take up any new debentures during the year ended 30 June 2016.

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1 July 15	Borrowed		Expended		Balance 30 June 16
			During Year	\$	During Year	\$	
Loan # 193 Civic Centre Redevelopment	Jun 2012	1,909,837	0	(996,712)	913,125	\$	
		<u>1,909,837</u>	<u>0</u>	<u>(996,712)</u>	<u>913,125</u>		

(d) Overdraft

Council has utilised an overdraft facility during previous financial years with a maximum amount of \$700,000 with the Commonwealth Bank.

The overdraft is established to cover periods when there are delays in receiving funding at the beginning/end of financial years or in the event of uncleared or un deposited funds. It is anticipated that this facility will not be required to be utilised during budget year prior to the due date of the rates.

Shire holds one Corporate Credit Card with a maximum limit of \$25,000 from the Commonwealth Bank and is used to procure goods & services typically requiring a credit card such as travel, accommodation and IT equipment.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

23. RATING INFORMATION - 2015/16 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$	
Differential general rate / general rate												
Gross rental value valuations												
GRV - Residential	9.3990	4,587	115,758,692	10,762,616	80,652	20,296	10,863,564	10,755,244	0	40,000	10,795,244	
GRV - Residential - Vacant	15.2200	172	2,575,320	361,873	20,658	5,259	387,790	381,696	0	0	381,696	
GRV - Commercial	10.3800	578	53,619,412	5,524,198	(20,216)	(62,738)	5,441,245	5,509,672	0	0	5,509,672	
GRV - Tourism	14.7150	417	16,211,460	2,385,517	0	0	2,385,517	2,453,080	0	0	2,453,080	
GRV - Exempt	0.0000	831	2,892,033	0	(44,740)	(13,663)	(58,403)	0	0	0	0	
Unimproved value valuations												
UV - Rural	0.5836	139	85,609,000	483,821	5,313	106	489,240	504,839	0	0	504,839	
UV - Mining	12.2250	42	1,660,144	202,953	(16,606)	94,678	281,025	202,997	0	0	202,997	
UV - Commercial Rural	2.9656	34	8,579,646	233,112	42,942	2,276	278,330	227,887	0	0	227,887	
UV - Exempt	0.0000	0	0	0	0	0	0	0	0	0	0	
Sub-Total		6,800	286,905,707	19,954,090	68,003	46,213	20,068,307	20,035,415	0	40,000	20,075,415	
Minimum payment												
Minimum payment												
Gross rental value valuations												
GRV - Residential	1,224	144	3,543,562	176,256	0	0	176,256	110,160	0	0	110,160	
GRV - Residential - Vacant	1,224	199	1,282,135	243,576	0	0	243,576	302,328	0	0	302,328	
GRV - Commercial	1,224	13	542,116	15,912	0	0	15,912	18,360	0	0	18,360	
GRV - Tourism	1,224	412	1,880,840	504,288	0	0	504,288	504,288	0	0	504,288	
Unimproved value valuations												
UV - Rural	1,224	5	1,311,300	6,120	0	0	6,120	4,896	0	0	4,896	
UV - Mining	1,224	36	(179,568)	44,064	0	0	44,064	47,736	0	0	47,736	
UV - Commercial Rural	1,224	13	1,566,687	15,912	0	0	15,912	15,912	0	0	15,912	
Sub-Total		822	9,947,072	1,006,128	0	0	1,006,128	1,003,680	0	0	1,003,680	
		7,622	296,852,779	20,960,218	68,003	46,213	21,074,435	21,039,095	0	40,000	21,079,095	
Discounts/concessions (refer note 27)											(173,261)	
Total amount raised from general rate											20,905,834	
Totals											20,905,834	

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

24. NET CURRENT ASSETS

Composition of net current assets

	2016 (30 June 2016 Carried Forward) \$	2016 (1 July 2015 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
Surplus/(Deficit) 1 July 15 brought forward	1,691,093	3,438,647	3,438,647
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	3,807,938	3,742,012	3,742,012
Restricted	28,994,858	25,695,463	25,695,463
Receivables			
Rates outstanding	852,625	895,914	895,914
Sundry debtors	1,437,118	1,234,471	1,234,471
GST receivable	363,160	253,133	253,133
Bonds and Deposits held by others	43,949	45,767	45,767
Other current Receivables	71,086	12,011	12,011
Inventories			
Fuel and materials	22,607	24,355	24,355
BRAC Stock	2,767	4,205	4,205
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(2,979,535)	(2,175,911)	(2,175,911)
Accrued interest on debentures	(7,968)	(11,878)	(11,878)
Accrued salaries and wages	(499,031)	(253,675)	(253,675)
ATO liabilities	(45,021)	(2,884)	(2,884)
Excess Rates	(181,158)	(177,552)	(177,552)
Prepaid Rent, Grants and Services	(33,182)	0	0
Accrued Expenses	(399,905)	(50,394)	(50,394)
Current portion of long term borrowings			
Secured by floating charge	(868,715)	(988,046)	(988,046)
Provisions			
Provision for annual leave	(1,289,376)	(1,194,871)	(1,194,871)
Provision for long service leave	(920,614)	(696,042)	(696,042)
Unadjusted net current assets	28,371,603	26,356,078	26,356,078
Adjustments			
Less: Reserves - restricted cash	(28,994,858)	(25,695,463)	(25,695,463)
Less: Leave Liability not expected to be paid within 12 months	1,445,633	1,789,986	1,789,986
Add: Secured by floating charge	868,715	988,046	988,046
Adjusted net current assets - surplus/(deficit)	1,691,093	3,438,647	3,438,647

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

24. NET CURRENT ASSETS (Continued)

Difference

There was no difference between the surplus/(deficit) 1 July 2015 brought forward position used in the 2016 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2015 audited financial report.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

25. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates.

26. SERVICE CHARGES - 2015/16 FINANCIAL YEAR

The Shire did not impose any service charges.

27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2015/16 FINANCIAL YEAR

Rates Discounts

Rate or Fee Discount Granted	Discount			Circumstances in which Discount is Granted
	% or \$	Actual \$	Budget \$	
General Rates	Nil	0	0	
Minimum Rate	Nil	0	0	
		<u>0</u>	<u>0</u>	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount		
		% or \$	Actual \$	Budget \$
General Rates	Concession	48%	119,524	119,537
General Rates	Concession	27%	51,509	51,499
General Rates	Concession	11%	2,225	2,225
			<u>173,258</u>	<u>173,261</u>
<u>Other Waivers</u>				
Penalty Interest	Write Offs		43,054	2,000

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2015/16 FINANCIAL YEAR (Continued)

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 & reasons for the Waiver or Concession
UV - Coconut Wells	48% concession on all properties on unimproved values (UV) in the locality of Coconut Well	To ensure a consistent rate increase was maintained for these properties comparative to other properties within alternate UV rating categories, following changes to Differential Rating Categories initiated to remove reference to locality.
UV - Twelve Mile	27% concession on all properties on unimproved values (UV) in the locality of Twelve Mile.	To ensure a consistent rate increase was maintained for these properties comparative to other properties within alternate UV rating categories, following changes to Differential Rating Categories initiated to remove reference to locality.
UV - Horticulture Land Use	11% concession on all properties on unimproved values (UV) with Horticulture Land Use.	To ensure a consistent rate increase was maintained for these properties comparative to other properties within alternate UV rating categories, following changes to Differential Rating Categories initiated to remove reference to locality.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

28. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Instalment Options				
Option One				
Single full payment	05-Oct-15			11.00%
Option Two				
First Instalment	05-Oct-15	7	5.50%	11.00%
Second Instalment	08-Feb-16	7	5.50%	11.00%
Option Three				
First Instalment	05-Oct-15	7	5.50%	11.00%
Second Instalment	07-Dec-15	7	5.50%	11.00%
Third Instalment	08-Feb-16	7	5.50%	11.00%
Fourth Instalment	08-Apr-16	7	5.50%	11.00%
			Revenue	Budgeted Revenue
			\$	\$
Interest on unpaid rates			188,420	120,000
Interest on instalment plan			104,507	97,000
Charges on instalment plan			38,276	36,000
Debt Clearance Letter			0	250
Reissue rates Notice			505	1,000
			331,708	254,250

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
29. FEES & CHARGES		
Governance	90	0
General purpose funding	72,966	63,759
Law, order, public safety	106,584	100,871
Health	149,304	164,440
Housing	482,988	547,472
Community amenities	6,983,333	6,340,976
Recreation and culture	958,120	952,475
Transport	39,571	19,779
Economic services	719,320	725,623
Other property and services	1,341,312	1,271,297
	<u>10,853,588</u>	<u>10,186,692</u>

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

30. GRANT REVENUE

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

	2016	2015
	\$	\$
By Nature or Type:		
Operating grants, subsidies and contributions		
Governance	237,500	5,531,105
General purpose funding	886,669	3,109,161
Law, order, public safety	0	2,380
Health	38,852	21,323
Education and welfare	33,636	30,000
Community amenities	376,363	90,000
Recreation and culture	198,330	195,459
Transport	971,984	2,227,120
Economic services	0	110,000
Other property and services	116,343	114,277
	<u>2,859,677</u>	<u>11,430,825</u>
Non-operating grants, subsidies and contributions		
Housing	0	561,758
Community amenities	111,200	87,080
Recreation and culture	1,497,500	402,682
Transport	3,161,498	1,748,190
Economic services	0	300,000
	<u>4,770,198</u>	<u>3,099,710</u>
	<u>7,629,875</u>	<u>14,530,535</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

	2016 \$		2015 \$
31. EMPLOYEE NUMBERS			
The number of full-time equivalent employees at balance date	<u>131</u>		<u>141</u>
32. ELECTED MEMBERS REMUNERATION		2016 Budget	
	2016	2015	
	\$	\$	\$
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	153,715	158,749	150,252
President's allowance	46,350	46,350	46,350
Deputy President's allowance	11,587	11,587	13,791
Travelling expenses	11,237	58,000	34,338
Telecommunications and IT Allowances	30,899	31,950	29,750
	<u>253,788</u>	<u>306,636</u>	<u>274,481</u>

33. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2015/16 financial year."

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2015/16 financial year.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

35. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2016	2015	2016	2015
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	32,802,796	29,437,475	32,802,796	29,437,475
Receivables	2,785,435	2,458,794	2,785,435	2,458,794
	<u>35,588,231</u>	<u>31,896,269</u>	<u>35,588,231</u>	<u>31,896,269</u>
Financial liabilities				
Payables	4,145,800	2,672,294	4,145,800	2,672,294
Borrowings	3,780,696	4,768,742	3,780,696	4,768,742
	<u>7,926,496</u>	<u>7,441,036</u>	<u>7,926,496</u>	<u>7,441,036</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial assets at fair value through profit and loss, available for sale financial assets - based on quoted market prices at the reporting date or independent valuation.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

35. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

The Shire's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

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

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	2016	2015
	\$	\$
Impact of a 10% ⁽¹⁾ movement in price of investments		
- Equity	3,280,280	2,943,748
- Statement of Comprehensive Income	3,280,280	2,943,748
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	328,028	294,375
- Statement of Comprehensive Income	328,028	294,375

Notes:

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

35. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt.

The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

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

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

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

	2016	2015
Percentage of rates and annual charges		
- Current	2%	1%
- Overdue	98%	99%
Percentage of other receivables		
- Current	83%	63%
- Overdue	17%	37%

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2016</u>					
Payables	4,145,800	0	0	4,145,800	4,145,800
Borrowings	<u>1,028,980</u>	<u>2,722,923</u>	<u>521,995</u>	<u>4,273,898</u>	<u>3,780,696</u>
	<u>5,174,780</u>	<u>2,722,923</u>	<u>521,995</u>	<u>8,419,698</u>	<u>7,926,496</u>
<u>2015</u>					
Payables	2,672,294	0	0	2,672,294	2,672,294
Borrowings	<u>1,215,180</u>	<u>4,367,462</u>	<u>1,188,775</u>	<u>6,771,417</u>	<u>4,768,742</u>
	<u>3,887,474</u>	<u>4,367,462</u>	<u>1,188,775</u>	<u>9,443,711</u>	<u>7,441,036</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2016

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings (continued)

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

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

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Year ended 30 June 2016								
Borrowings								
Fixed rate								
Debtentures	301,825	0	171,375	0	543,115	2,764,382	3,780,696	4.53%
Weighted average Effective interest rate	6.40%	0.00%	6.41%	0.00%	5.86%	3.95%		
Year ended 30 June 2015								
Borrowings								
Fixed rate								
Debtentures	0	747,659	0	221,661	0	3,799,422	4,768,742	4.70%
Weighted average Effective interest rate	0.00%	6.38%	0.00%	6.41%	0.00%	4.27%		

Independent Auditor's Report For the Year Ended 30 June 2016

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

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of the Shire of Broome, which comprises the statement of financial position as at 30 June 2016, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

Management's Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation and fair presentation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial report.

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

Opinion

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

- a) giving a true and fair view of the Shire's financial position as at 30 June 2016 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

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Independent Auditor's Report

For the Year Ended 30 June 2016

MOORE STEPHENS

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

Report On Other Legal and Regulatory Requirements

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 64 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest it is not:
 - i) reasonably calculated; and
 - ii) based on verifiable information.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



DAVID TOMASI
PARTNER

Signed at Perth this 4th day of October 2016.

Supplementary Ratio Information

For the Year Ended 30 June 2016

RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report

	2016	2015	2014
Asset consumption ratio	0.721	0.735	0.703
Asset renewal funding ratio	1.670	0.533	2.114

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$



Feedback

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

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