

Shire of Broome Annual Report



For the financial year
2016/2017

What is the Annual Report?

As required by the *Local Government Act 1995* and associated regulations the Annual Report for 2016/17 provides an overview of the operations, activities and major projects undertaken by the Shire for that period, and includes major initiatives proposed to commence or to continue in the next financial year. The performance of the Council is assessed against the Vision, Mission, Strategic Goals, Outcomes and Strategies as set out in the Shire of Broome Strategic Community Plan 2017 – 2027 and the Actions contained in the Corporate Business Plan 2017 – 2021.

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

Our Vision

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

Our Mission

To deliver affordable and quality Local Government services.

Our Values

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

Communication

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

Integrity

Be honest, equitable and ethical in all our dealings.

Respect

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

Innovation

Drive change through leadership and energy.

Transparency

Be open and accountable in all our activities.

Courtesy

Provide courteous service and helpful solutions.

Statistics Snapshot 2016/17

- \$31,744,798 in Development Applications approved
- 109,300 books and e-books borrowed from Broome Public Library
- 92,200 visitors to Broome Public Library
- 87,826 people swimming between the flags at Cable Beach
- 17,795 people using the BRAC swimming pool
- 5005 BRAC Group Fitness Class participants
- 2804 tickets sold to Broome Civic Centre performances
- 682 firebreaks inspected
- 501 pool fences inspected
- 242 food premises inspected
- 120 event applications approved
- 75 years since the WWII Air Raid on Broome
- 72% decrease in processing time for Development Applications since 2013/14
- 70% of mosquitoes captured were classified as species *Aedes vigilax*
- 57 new Australian Citizens
- 27 burials at Broome Cemetery
- 21 community groups received sponsorship funding
- 3 rescues by Lifeguards at Cable Beach



Commemorating the 75th Anniversary of the WWII Air Raid on Broome.

Table of Contents

Message from the Shire President	4
Message from the Chief Executive Officer.....	5
About Council	6
Council and Committee Meetings	7
Councillor Meeting Attendance 2016/17	8
Broome Snapshot	9
Visiting Broome.....	9
Living in Broome.....	9
Working in Broome	9
About the Shire of Broome.....	10
Office of the CEO	11
Corporate Services.....	11
Development and Community	11
Infrastructure	11
Council's Long Term Planning and Forecasting Requirements	11
Annual Report.....	11
Financial Statements.....	11
Annual Budget	11
Plan for the Future – Integrated Strategic Planning (Strategic Community Plan and Corporate Business Plan).....	12
2016/17 Year in Review	13
Our People	14
1.1 Effective Communication	14
1.2 Affordable services and initiatives to satisfy community needs	17
1.3 Accessible and safe community spaces	22
1.4 Participation in recreational and leisure activities for Broome and the North West Region.....	24
1.5 A healthy and safe environment	25
Our Place.....	30
2.1 Realistic and sustainable land use strategies for the Shire within the state and national frameworks and in consultation with the community.....	30
2.2 A built environment that reflects tropical climate design principles and the Broome vernacular ..	34
2.3 A natural environment for the benefit and enjoyment of current and future generations ..	35
2.4 A preserved historical and cultural heritage of Broome.	36
2.5 Retention and expansion of Broome's iconic tourism assets and reputation.....	37
2.6 Core asset management to optimise the Shire's infrastructure while minimising lifecycle costs ..	37
Our Prosperity	41
3.1 Affordable and equitable services and infrastructure	41
3.2 Affordable land for residential, industrial, commercial and community use.....	42
3.3 Key economic development strategies for the Shire which are aligned to regional outcomes working through recognised planning and development groups/committees.	42
Our Organisation.....	43
4.1 An organisational culture that strives for service excellence	43
4.2 Sustainable and integrated strategic and operational plans.....	46
4.3 Responsible resource allocation	47
4.4 Improved systems, processes and compliance ..	48
2016/17 Financial Statements	53
Statement by the Chief Executive Officer	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 Audit Report	111
Supplementary Ratio Information.....	113

Message from the Shire President



I am very pleased to once again be reporting as Shire President at the end of a year in which significant groundwork has been laid to secure the future of Broome.

It is very satisfying to be at the head of an organisation that is united behind the Shire of Broome's vision for "a thriving and friendly community that recognises our history and embraces cultural diversity and economic opportunity, whilst nurturing our natural and built environment." This is more than just a statement - it is the guiding principle that drives the excellent

work that is being done to take our community into the future while at the same time keeping an eye on our past and the history that makes us unique.

Broome's three key precincts are Chinatown, Town Beach and Cable Beach and in 2016/17 there have been significant achievements in each of these. Add to this the announcement of funding to seal the Cape Leveque Rd and the potential of the Dampier Peninsula and its communities will start to be realised.

The \$12.7 million Chinatown Revitalisation Project is an invaluable opportunity to transform the 'heart and soul' of our town and work kicked off in earnest in 2016/17. The project has been made possible by \$10 million through Royalties for Regions, \$2 million from the Shire of Broome and \$700,000 from Tourism WA and is being delivered by the Shire, Kimberley Development Commission and LandCorp to increase activity in Chinatown. Significant work has been carried out behind the scenes in preparation for streetscape construction to get underway in 2018, while feasibility studies are being conducted into a landmark Kimberley Centre for Culture,

Art and Story, and a range of other projects. The Revitalisation also aims to equip our community, with initiatives such as a new grants scheme making available more than \$400,000 in funding for business and community initiatives to boost Chinatown.

However, Chinatown does not stand in isolation and Council's vision of linking the CBD to Town Beach is being realised with the Shire of Broome securing \$2.8 million funding from Lotterywest to begin implementing the Town Beach Precinct Master Plan. Town Beach is a significant location for recreation, culture and heritage, and planned improvements include developing areas for heritage, youth and nature play, terraced viewing for the Staircase to the Moon, a look out and memorial, and expanding the existing water park.

Additionally, the new Cable Beach Development Strategy was adopted by Council, and a Cable Beach Foreshore Master Plan is now nearing completion for release to the community for input. Once this is in place the Shire of Broome can look at securing funding to further emphasise Cable Beach's status as one of the world's best beaches and make better use of its public spaces.

While these and other projects look at securing the future of Broome, in the past year Council has also knuckled down to tackle the issues that challenge our community. A new Community Safety Plan was adopted in 2016/17 and the Shire has since set about implementing the many recommendations. The roll-out of CCTV cameras in key locations such as Chinatown and Town Beach is underway. An extensive audit of laneways around Broome has led to some being closed while others will continue to be monitored, and street lighting is progressively being upgraded where it is needed. Additionally, Council has been strong and proactive in lobbying to have the Commonwealth's Cashless Debit Card trial extended to Broome to tackle anti-social behaviour.

The Shire's financial strength continues to grow, with Council achieving the lowest rate rise for seven years, with GRV and UV property increasing by just two per cent, and no increase for GRV Tourism properties. Council has a strong focus on effective fiscal management and has continued to provide essential services and facilities to the community while building on the Shire's cash reserves by 11 per cent in 2016/17. This will help to ensure our Shire's valuable infrastructure is maintained for future generations.

This is a snapshot of what has been achieved in the past year through the hard work of Councillors, Shire of Broome staff and the wider community, and I would encourage everyone to take the time to read the rest of this Annual Report to find out more about the work that has been carried out. Thank you to all in our community for what has been achieved, and for what we will continue to achieve together.

Ron Johnston, Shire President



Presenting the winners of the Broome Makers competition as part of the Broome Growth Plan.

Message from the Chief Executive Officer



There is considerable cause for optimism for the more than 17,000 residents of the Shire of Broome as we enter an exciting period in our development.

The community can be confident that as we undertake major projects we have a cohesive and hardworking Council at the helm, and a team of capable and diligent staff. This is reassuring for our ratepayers and residents, and has been reassuring for me since taking on the role of CEO at the start of 2017.

As evidence of this, in May this year we were pleased to receive a letter from Hon. David Templeman, WA Minister for Local Government, commending our Council and staff on the outcome of a Better Practice Review (BPR) undertaken at the Shire of Broome. Please allow me to quote from the executive summary of the BPR:

"The review found that the Shire is a high-performing local government which functions well; displaying a positive organisational culture, good governance and an emphasis on continuous improvement and innovation across all parts of the organisation. Key documents of the Shire including its various plans, policies and procedures are of an overall high standard and display a number of elements of good and better practice. Other strengths of the Shire relate to its activities in community engagement and development; good financial management; the application of quality organisation-wide integrated planning and a commitment to future-proofing the organisation through the documentation of a variety of practices, procedures and policies, introduction of various human resource and workforce management strategies and the use of innovative and new technologies."



Inspecting progress on the BRAC Aquatic Upgrade project.

The BPR also identified some areas for improvement and we have since worked diligently to bring these to the same high level as our other operations.

In 2016/17 significant work has been accomplished in preparation for the strategic and 'big picture' projects that are underpinning our town's future such as the Broome Growth Plan, Chinatown Revitalisation Project, Cable Beach Development Strategy and Foreshore Master Plan, and Town Beach Precinct Master Plan. However, this has not come at the expense of continuing to carry out the day-to-day work that keeps our town functioning and makes it so liveable for our community.

Construction of a new Shire of Broome Community Storage Facility has now been completed and will provide low-cost storage for our many valued community organisations and events. Additionally, in 2016/17 Council provided funding of more than \$74,000 to 20 community groups for a range of projects and events through the Community Sponsorship Program and EDL West Kimberley Community Donations. The Shire's further support of the community included sponsoring events such as Reconciliation Week and Sorry Day, Kullarri NAIDOC, Shinju Matsuri and Australia Day events. Our young people are also supported through projects such as planning for the BRAC 1 Youth Bike Precinct, National Youth Week and Shire of Broome Youth Advisory Council.

Commemoration events for the 75th Anniversary of the WWII Air Raid on Broome were well supported by the community, and the list of distinguished guests who made their way to Broome included family members of both victims and survivors of the WWII Air Raid, Ambassadors or Consuls-General from the Netherlands, the US, Japan and India, and both current and former Premiers of WA.

Significant improvements around town included the upgrade of Stewart St outside the Broome Courthouse to improve safety and functionality, particularly for the ever-popular weekend markets. Stormwater drainage near Catalinas at Town Beach was moved underground, and sections of Lullfitz Dve were widened. The \$3 million refurbishment of the swimming pool at Broome Recreation and Aquatic Centre was undertaken with funding from the Shire and the State, and has improved safety and efficiency in addition to providing a fresh new look. Pleasingly the Shire was able to continue its support of local business on this project, with Broome builder CWD undertaking the work.

In closing, I would like to acknowledge outgoing Shire of Broome CEO, Kenn Donohoe, who departed in December 2016 after almost eight years in the role. I would like to thank Kenn for his hard work and dedication while in the role, and for his support of staff and myself in this time.

Sam Mastrolembo, Chief Executive Officer

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 elected 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-year terms)

Dampier Ward – 1 Councillor (four-year term)

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

Section 2.2 of the *Local Government Act 1995* requires Local Governments with a Ward system to carry out a review of the ward boundaries and the number of offices of Councillor for each ward at least every eight years. In July 2016 a review of the current system commenced and in November 2016 Council resolved to propose to the Local Government Advisory Board that after consideration of all the factors arising from the review, it wished to maintain the existing ward structure and current number of nine offices of Councillor with no change. The Advisory Board noted Council's proposal in February 2017.



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

Ordinary Meetings of Council are generally 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

Current Councillors

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



Broome Shire President Ron Johnston presenting the 2017 Community Citizen of the Year award to Lee Anderson, with Australia Day Ambassador and Cross of Valour recipient Const. Tim Britten.

About Council

Councillor Meeting Attendance 2016/17

Councillor	No. of Meetings To Attend (OCM's/SCM's)	Attended	Non-Attendance	Apology/LOA
Cr R Johnston	17	17		
Cr H Tracey	17	13		4
Cr M Fairborn	17	12		5
Cr W Fryer	17	13	1	3
Cr E Foy	17	8	1	8
Cr D Male	17	14		3
Cr P Matsumoto	17	14	1	2
Cr C Mitchell	17	14		3
Cr B Rudeforth	17	13		4



Broome Shire Councillors.

Broome Snapshot

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

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

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

The Shire of Broome comprises 56,000sqkm of coastline, bushland and desert. With a population of more than 17,000, this equates to a density of 3sqkm for every person, in comparison to 282 people per sqkm within the Perth metropolitan area.



Sunset at Reddell Beach in Broome.

Visiting Broome

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

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

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

Living in Broome

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

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

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

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

Working in Broome

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

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

About the Shire of Broome

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

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



Sam Mastrolembo
Chief Executive Officer



Aletta Nugent
Director Development
and Community



James Watt
Director Corporate
Services



Steven Harding
Director Infrastructure

About the Shire of Broome

Office of the CEO

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

Corporate Services

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

Development and Community

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

Infrastructure

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

Council's Long Term Planning and Forecasting Requirements

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

Annual Report

The Annual Report is a requirement of the Local Government Act 1995 and is produced yearly. In addition to the statutory information, including the financial statements for 2016/17, the report is to provide an overview of the activities of the Shire for the previous financial year and include major initiatives that are proposed to commence or to continue in the next financial year.

Financial Statements

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

Annual Budget

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

About the Shire of Broome

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

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

Amendments to the Local Government (Administration) Regulations 1996 have better defined what comprises a Plan for the Future. These amendments were supported by the State-wide introduction of the Integrated Planning and Reporting (IPR) Framework. The IPR Framework was introduced to ensure the integration of community priorities into strategic planning for Councils. The Strategic Community Plan (SCP) is the head document of the IPR framework and provides the longer-term view (10-year-plus timeframe) and sets out the vision, aspirations and objectives of the community. Regulation 19C(4) of the Local Government (Administration) Regulations 1996 requires the SCP to be reviewed at least every four years. A full review of the SCP was undertaken in the first half of 2016/17.

Extensive community consultation was undertaken as part of the review of the SCP and the Broome Growth Plan and outcomes incorporated into the revised SCP 2017-2027 to maximise alignment between the two plans.

Council adopted the Shire of Broome Strategic Community Plan 2017-2027 and the Corporate Business Plan 2017-2021 at the Ordinary Meeting of Council held 15 December 2016. The following new Strategies were included:

- 1.2.3 Advocate for the development of aged care facilities and services
- 1.4.4 Advocate for and promote regional sporting events and competitions.

Some minor amendments were made to the wording of the current Objectives, Outcomes and Strategies. Where the desired Outcome was considered part of an already defined broader Outcome, the Outcome was removed and associated Strategies and Actions realigned accordingly. Completed Actions were removed from the reviewed Corporate Business Plan.



Broome daycare students help plant native trees around Broome Recreation and Aquatic Centre.

2016/17 Year in Review

This report summarises the Shire of Broome's progress during the 2016/17 financial year toward attaining the Goals, Outcomes and Strategies set out in the Shire's Strategic Community Plan 2017-2027.



Our People

The Shire of Broome aims to foster a community environment that is accessible, affordable, inclusive, healthy and safe. The following are Outcomes put in place to achieve this, and a summary of progress made during 2016/17.



Cable Beach Lifeguards meet the local media.

1.1 Effective Communication

Media and Promotions

The Shire of Broome aims to foster an informed and democratic community that has ready access to information and the ability to participate in consultation.

To achieve this a wide range of channels are used to keep the community informed of Shire activities, services and achievements, to consult the community and seek feedback, and to provide access to information. The Shire works proactively with print, electronic and online media outlets in Broome and further afield, both through news content and paid advertising, to keep the community and stakeholders up to date.

During 2016/17 extensive communications programs utilising surveys, advertising, newsletters, media releases, direct email, open days, public information sessions and more have been implemented for projects including:

- Strategic Community Plan and Corporate Business Plan review;
- Broome Recreation and Aquatic Centre Upgrades;
- Broome Community Safety Plan and implementation of recommendations including CCTV Strategy, urban laneway closures, and Anne St lighting upgrades;
- Community Storage Facility;
- Community Sponsorship Grants Program;
- Chinatown Revitalisation Project;
- Town Beach Precinct Master Plan;
- Town Beach playground and water park upgrades;
- Recreation Trails Master Plan and BRAC 1 Youth Bike Precinct;
- Civil works projects including Stewart St upgrades, Catalinas drainage upgrades, and Lullfitz Dve widening;
- Broome Town Site Coastal Vulnerability Study and Coastal Hazard Risk Management and Adaptation Plan;
- Broome Urban Renewal Initiative;
- Shire of Broome Ward Review;
- Work for the Dole Program;
- Cable Beach Foreshore Master Plan;
- Demco bushland asbestos clean-up;
- Shire of Broome Events Policy update.

Our People

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

- Broome Air Raid 75th Anniversary;
- Australia Day events including Community Citizen of the Year Awards;
- Community Native Plant Giveaway;
- Australian Citizenship Ceremonies;
- National Youth Week and Shire of Broome Youth Advisory Council;
- Broome Sport in Focus Week and Club Development Workshops;
- Local Law enforcement including parking, dogs and animals, and bushfire;
- Broome Civic Centre, BRAC and Library events;
- WALGA Banners in the Terrace;
- Shire-sponsored events including Reconciliation Week, Sorry Day, NAIDOC, Shinju Matsuri, Chinatown Christmas Party and Broome Marathon;
- Public service announcements including beach closures for jellyfish stings and crocodile sightings, minor and major roadworks projects and wet season road closures.

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 to effectively communicate information, as well as providing a forum for community members to ask questions and provide feedback. A fortnightly Shire newsletter continues to be published in the Broome Advertiser newspaper, and an email newsletter is distributed to a growing database of subscribers each month. The Shire of Broome website is updated regularly and is a reliable source of a broad range of information.

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



The Broome Air Raid 75th Anniversary on 3 March 2017 brought a host of distinguished guests to town.

Our People



The Shire of Broome and Nirrumbuk partnered on a Work for the Dole program.

Community Sponsorship Program

In 2016/17, 15 community groups received more than \$47,000 in funding through the Shire of Broome Community Sponsorship Program and Energy Developments Limited (EDL) West Kimberley Community Donations. Council allocated \$30,000 of Shire funds and \$17,000 from the EDL West Kimberley Community Donations reserve. A further six groups received a total of \$5973 in ad-hoc funding and two activities in Broome North were also funded through LandCorp's Community Building Sponsorship which is administered by the Shire.

Community programs and events funded included the Kimberley Open Short Course Swimming Championships, Broome Motocross two day championship, 20th Anniversary of the Bringing Them Home Report, Pearl Coast Gymnastics Club, Broome Golf Club, Nirrumbuk Aboriginal Corporation, Broome Netball Association, Australian Red Cross, Broome Bird Observatory, Broome Soccer Association, Environs Kimberley, Wasamba Broome Carnival Drummers and Native Animal Rescue.

Council also 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.

Council also continued to sponsor and support large-scale events and long-term programs through ongoing funding agreements.



Community Engagement Framework

In 2016/17, the Community Development Department delivered annual refresher training for staff on the Shire's Community Engagement Framework. This document is well utilised throughout the organisation to define community engagement requirements and develop engagement plans for a range of projects.

Community Partnerships

In 2016/17, the Shire of Broome participated in a number of interagency and network groups including the Homelessness Action Group, Broome Youth Coordinators Network, West Kimberley Youth Sector and Broome Liquor Accord. Participation in these networks ensures the Shire is well connected to the community's interests and needs, and maintains working relationships with community organisations and government agencies.

Emergent Technology

The Shire has implemented a system of online event bookings for various resources. The system will eventually move all paper-based applications for resources into a digital online application. The benefit for the community is that response times improve, bookings can be confirmed immediately and it reduces resources needed to administer outdated systems.

1. 2 Affordable services and initiatives to satisfy community needs



Broome's Community Citizen of the Year winners for 2017.

Civic Events

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

March 3, 2017, marked the 75th Anniversary of the WWII Air Raid on Broome that killed an estimated 88 people and destroyed 22 Australian, Dutch and US aircraft in the second-greatest wartime loss of life on Australian soil. The Shire coordinated a series of commemorative events in conjunction with partners including the Broome RSL, Norforce, St Mary's College, Broome Historical Society and TS Broome.

The centrepiece was a commemorative service in Bedford Memorial Park that included an RAAF flypast and was attended by visiting dignitaries including:

- Kingdom of the Netherlands Ambassador, Her Excellency Erica Schouten;
- Kingdom of the Netherlands Defence Attache, Col. Harold Jacobs;
- Japanese Embassy Deputy of Mission, Takashi Katae;
- Japanese Consul General, Tatsuo Hirayama;
- US Consul General, Rachel Cooke;
- Indian Consul General, Amit Kumar Mishra;
- WA Premier Hon. Mark McGowan;
- Former WA Premier, Hon. Colin Barnett;
- Federal Member for Durack Melissa Price MP;
- Australian Sikh Heritage Association President, Tarun Preet Singh;
- Australia Japan Society WA President, Jean Stewart; and
- RSL WA CEO, John McCourt.

In addition, family members of WWII Broome Air Raid victims and survivors also attended from around the world including:

- Willy and Emy Piers (grandson and great granddaughter of Cornelia Piers-Morien, Cornelis Piers and Frans Piers);
- Alice and Beth Burkart (nieces of Lt Keats Poad);
- Sidney and Janet, Jeremy and Susannah, James, and Charlie Muller (son, grandsons and great-grandson of Joe Muller).

Additionally, the Shire hosted and coordinated a range of other commemorative events including a Civic Reception where community leaders welcomed visiting VIPs; a free guided walking tour to the Catalina Flying Boat wrecks in Roebuck Bay for community members and visitors, and a hovercraft tour for VIP guests; and a free community event at the Broome Civic Centre including guest speakers and a documentary film screening.

Other civic events hosted by the Shire in 2016/17 included Australia Day events and the Community Citizen of the Year Awards; Australian Citizenship Ceremonies; and a Civic Reception to welcome exchange students and dignitaries from Broome's Sister City of Taiji in Japan.

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

Our People



New Australian citizens welcomed on Australia Day in Broome.

Welcoming New Citizens

The Shire of Broome conducted three Citizenship Ceremonies in 2016/17 at which 57 people became Australian Citizens. The participants were from countries including the UK, Thailand, Czech Republic, China, Philippines, the US, New Zealand, India, England, France, Canada, Taiwan, Pakistan, Ghana, Poland, Brazil and Mauritius. 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. The Shire encourages people of all cultures to join the Broome community and share their heritage.

Youth

Guided by the Shire of Broome's It Starts With You - Youth Framework, in 2016/17 the Shire delivered and facilitated a range of events for local youth. The Shire's Youth and Community Development Officer, which is partly funded by Rio Tinto, worked closely with the Youth Advisory Council to deliver youth projects and contribute to events which included consultation and public art at Dakas St Park and celebrations centring on National Youth Week.

Support was also provided to the Broome Youth Coordinators Network, which meets monthly and collaborated to strengthen local school holiday programming and opportunities for young people. Participating agencies include the PCYC, Broome Youth and Families' Hub, WA Police, Red Cross, Kimberley Aboriginal Medical Service, Agunya Projects and Incredible Edible Broome.

The successful Broome Midnight Basketball Program continued at BRAC in 2016/17, with consistent participation throughout two seasons and collaboration between a number of youth agencies to form the management committee.

Community Development

A Not-for-Profit Accommodation review was completed in 2016/17 with funding assistance from Lotterywest. The study focused on the accommodation needs of not-for-profit organisations in Broome and the potential need for a Community Centre in Broome North in the short term. The study indicated that a Community Centre in Broome North was not required in the short term, and was received by Council at the October 2016 Ordinary Meeting.

In accordance with the Shire's Tourism Administration Policy, in 2016/17 the Shire provided funding for destination marketing, visitor servicing and strategic projects to Australia's North West, the Broome Visitor Centre and the Broome Tourism Leadership Group. Additional economic and tourism related events to receive support included Cable Beach Polo and the Broome Marathon.

The Economic Development Advisory Committee and the Arts Culture and Heritage Advisory Committee continued to have input into Shire initiatives and provided recommendations to Council on various items and initiatives throughout 2016/17.



Public art project on Woods Dve in Cable Beach.

Our People



Story time at Broome Public Library.

Broome Public Library

In 2016/17 the Broome Public Library continued to provide high-quality library services to the community, hosting more than 92,200 visitors and issuing more than 109,300 books and e-books. The Story Time, Build-Up Lego Club and early literacy programs were favourites with young families, while more than 27,000 visitors took advantage of the free Wi-Fi 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.

In 2016/17, 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 and local children create their own books.

Broome Civic Centre

The Broome Civic Centre is the Shire's premier performing arts and events facility and in 2016/17 it was utilised as a venue for hire with more than 25,000 people attending events including:

- Civic events – National Youth Week, Broome Air Raid 75th Anniversary, and Opening the Common Gate;
- Arts and entertainment – YOHFest, Sun Studios Annual Dance Concert, Shinju Matsuri Festival Art Awards and other events, Theatre Kimberley's Bust Out Cabaret, Interscholar Poetry Slam, Worn Art, Environs Kimberley Short Film Festival;
- Private and community functions – weddings, birthdays, NAIDOC Ball, White Ribbon Gala, Broome Sports Association Sports Awards; and
- Meetings/conferences – Kimberley Aboriginal Young Leaders Committee, KAMS 30th Anniversary Celebrations, Bankwest Curtin Economics – Community Wellbeing From The Ground Up: A Yawuru Example, Broome Chamber of Commerce Business Breakfast.

Broome Public Library continued to provide high-quality library services to the community, hosting more than 92,200 visitors and issuing more than 109,300 books and e-books.

In 2016/17 the Broome Civic Centre delivered an ambitious and diverse program of live shows including:

- The Night Owl;
- Kimberley Collection Fine Art Exhibition;
- Aboriginal Comedy All Stars;
- In a Dark, Dark Wood;
- Harmony Day – Colourfest Film Festival;
- Matthew Hale – Comedy Hypnosis;
- Elixir;
- Are We There Yet;
- The Kazoos Christmas Show;
- Listies in 6D;
- Marty's Party;
- Adelaide Comedy Roadshow;
- Melbourne International Comedy Festival Roadshow;
- Wind in the Willows; and
- Broome Civic Centre Season Launch.

The program of live shows drew 2804 paying audience members. A new marketing brochure has been completed to promote the venue to prospective hirers, and to raise awareness in the community of the venue's capabilities.



Broome Civic Centre is the Shire's premier performing arts and events venue.

Our People



The Shire of Broome was again pleased to support community events such as Kullarri NAIDOC.

Events

More than 120 event applications were processed by the Shire in 2016/17, with a new online events application process and program implemented to streamline the event approval process.

In 2016/17, the Shire provided funding and in-kind support for Broome's much-loved Shinju Matsuri Festival, including supporting the Shinju Fringe Festival and other key elements of the event. The Shire again presented Australia Day celebrations in 2017, despite being limited by inclement weather preventing the fireworks display and family fun event from going ahead.

In 2016/17 further support was provided to a range of significant events on the Broome calendar including:

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

Development of an Events Attraction Strategic Development Plan also commenced in 2016/17, involving extensive engagement

with a range of key stakeholders. The plan is due to be presented to Council early in the new financial year for adoption, and will guide the Shire's facilitation, financial support and focus on events development in the future.

Sport and Recreation

The Shire of Broome implemented a number of projects in 2016/17 from the Sport and Recreation Plan including:

- The BRAC Aquatic upgrade commenced in August 2016 and completed in February 2017.
- A Recreational Trails Master Plan was developed and adopted by Council in November 2016.
- The BRAC hard courts were resurfaced and ready for use by April 2017.
- The Club Development Officer assisted Broome sporting clubs with guidance and support along with five targeted workshops for club volunteers.
- KidSport funding was distributed to children and sporting clubs for payment of fees.

A proposal to develop a design for a skate park was expanded to a master plan for a youth-focused precinct on the existing BRAC site. The high amount of capital required and the absence of a suitable location for a destination skate park led Council to action a recommendation from the Recreational Trails Master Plan to develop a youth-specific space between the BRAC fields and the Boulevard shopping centre. Significant consultation was undertaken with youth and community groups as well as other key stakeholders, and a concept master plan was developed.

The draft master plan was presented to Council in June 2017, and is now out for public comment prior to being returned to Council for consideration and endorsement. The Shire is aiming to have construction of stage 1 of the youth precinct commence in 2017/18.



The Indigenous AllStars train at Broome Recreation and Aquatic Centre.



Local builder CWD is awarded the tender to undertake the BRAC Aquatic Upgrade in 2016/17.

Broome Recreation and Aquatic Centre Upgrade

The BRAC Aquatic Upgrade commenced in August 2016 and was completed in February 2017. Work undertaken included replacing and upgrading the plant room and filtration and disinfection systems, replacing the old brick paving with an exposed aggregate concourse, replacing the underground piping, replacement of external tiling and areas of internal tiling, expansion of bulkheads, upgrading pool lighting, reinstatement of spa and water features, additional shade and seating, and installation of public art.

The facility reopened to the public for use on 20 February 2017 and was back to business as usual with swimming lessons, aqua classes, lap and recreational swimming. BRAC held an open day in March 2017 to invite the community to come and enjoy the rejuvenated space and to thank them for their patience while the work occurred. More than 500 people visited the open day and the high visitation continued throughout the warmer weather.

BRAC held an open day in March 2017 to invite the community to come and enjoy the rejuvenated space ...

Our People

1.3 Accessible and safe community spaces

Community Storage Shed



The new Shire of Broome Community Storage Shed was finished in May 2017.

Construction of the Community Storage Shed commenced in September 2016 at the reserve adjacent to BRAC and practical completion occurred in May 2017. To enhance vehicle accessibility and to aid in the prevention of scouring, a single-coat seal was installed around the perimeter of the shed. The storage facility is currently 30 per cent occupied by community organisations that previously occupied the Archer St storage facility, with the remaining vacancies expected to be filled after the EOI process finishes in July 2017 and will then be referred to Council.

Disability Access and Inclusion

The Disability Services Act 1993 requires all Local Governments and selected State Government agencies to develop a Disability Access and Inclusion Plan (DAIP). The Shire's current DAIP extends to the end of 2017, and so work on a new DAIP commenced in 2016/17 with a community engagement framework prepared to guide the development of the new DAIP.

The purpose ... is to identify barriers to access and propose solutions to ensure that people with disabilities have equality of access to the Shire's services, information and facilities.



Consultation on the new DAIP will occur throughout the remainder of 2017, with a new DAIP to be submitted to the Disability Services Commission at the end of 2017.

Under the existing DAIP, in 2016/17, the Shire's Access and Inclusion Advisory Committee (AIAC) met three times to contribute to implementation. The purpose of the DAIP is to identify barriers to access and propose solutions to ensure that people with disabilities have equality of access to the Shire's services, information and facilities. The DAIP is reviewed annually and a progress report was provided to the Disability Services Commission in June 2017 for the 2016/17 reporting period. The Shire of Broome has undertaken a number of key initiatives to enhance access and inclusion during 2016/17 including:



The Shire of Broome was among those recognised for its contribution to Disability Access and Inclusion.



The Library's Broome Beach Books program.

Aquatic upgrade at BRAC:

- Purchase of a chair lift to assist with entry into lap lanes for patrons with limited mobility;
- Additional handrails for entry to pool via stairs at shallow end and retention of contrasting coloured steps into water;
- Retention of the zero-depth entry at the lagoon end of the pool to ensure suitability for ease of walking entry and use of pool wheelchair and installation of hand rails; and
- A smooth and obstacle-free concourse with correct drainage and an even, flat finish.

Cable Beach Precinct:

- Disability access ramp constructed at main pedestrian entry; and
- Footpath upgrades to meet accessibility standards within precinct.

Other Shire facilities:

- Upgrades to Administration Building/Civic Centre and Library accessible parking bays;
- Review of distribution and amount of accessible parking bays in Chinatown; and
- Continuing to address high priorities identified as part of the access and inclusion audit, including installation of power-assisted doors at BRAC.

Other initiatives;

- Beach and aquatic wheelchair access brochures developed;
- Broome Library brochure promoting access to facility;
- The Public Sector Commission's strategic document, *See my abilities: An employment strategy for people with disability* used as a resource in the development of the Shire's proposed Equal Employment Guiding Strategy; and
- Disability awareness training conducted for Shire staff.

Itinerant Visitor Accommodation

Investigations continued in 2016/17 into solutions to reduce itinerant camping in Broome. In 2017/18, the Shire will continue to engage with the State Government and the community in relation to possible solutions and explore funding opportunities to continue work on this important issue.

Lobby for Communities to Stay on Country

The WA Government established a Regional Services Reform Unit to consult with remote Aboriginal communities about future essential and municipal service delivery arrangements. On 20 December 2016, the State Government announced the first 10 communities identified for essential and municipal services upgrade. Ardyaloon, Beagle Bay, Bidadanga, Djarindjin and Lombadina were named within the Shire of Broome. The program will result in the State Government investing in upgrades to power, water, waste water and municipal services such as road maintenance and rubbish collection.

Our People

1. 4 Participation in recreational and leisure activities for Broome and the North West Region



School Holiday Activity program fun at BRAC.

Broome Recreation and Aquatic Centre

In June 2017, the Shire engaged SGL Consulting to undertake a review of BRAC operations and investigate opportunities for additional revenue streams. SGL consulted with staff and users in face-to-face interviews and compiled significant amounts of data through online surveys. A report containing the results of the review will be presented to Council in early 2017/18.

In 2016/17 Broome Recreation and Aquatic Centre recorded the following attendance:

General Pool Entries	17,795
Memberships sold	602
Group Fitness participants	5005
Learn to Swim participants	489
School Holiday Program attendees	298

These numbers are down on previous years, as a result of the swimming pool being closed for the BRAC Aquatic Upgrade between August 2016 and February 2017.

Cable Beach Lifeguard Service

Surf Life Saving WA (SLSWA) provided beach lifeguard services on behalf of the Shire in accordance with a contract that commenced for Cable Beach on 1 July 2016. SLSWA continued to provide these services through to the end of the season in partnership with the Broome Surf Life Saving Club. Surf Life Saving WA have returned for the 2017 season, commencing patrols on Good Friday and have recently completed the first year of the three year contract.



Lifeguards on patrol at Cable Beach.

Broome Lifeguard statistics 01/07/2016 – 30/06/2017

	2016	2017	Total
Attendance	80,125	87,826	167,951
Preventative Actions	4072	948	5,020
Major First Aids	1	4	5
Rescues	12	3	15
Minor Jelly Fish Stings	8	120	128
Minor Cuts/Abrasion	13	28	41

Beach Closures	2016	2017	Total
Shark	0	3	3
Crocodile	3	1	4
Irukandji	0	1	1
Red Tide	1	0	1

Warnings given by Lifeguards for actions contrary to Shire local laws

	Total
Craft Riders	12
Dog/Animal Owners	21
Shark/Crocodile Alarms	2
Motor Vehicles/Bikes	21
PWC/Boats	0
Littering	4
Hazards/Glass	7
Inappropriate Behaviour	48
Public Relations	1407
Total	1522

NB: The beach closures are only those of Cable Beach, and only during the patrolled season (April – October).

Recycled Water Irrigation

Discussions have been successful over the past year, with water volumes being supplied in line with the agreement in place with the Water Corporation. There has been investigation into the supply of reclaimed water to the Cemetery for the park-type areas, with verbal consent given and the possibility of a contribution from the Water Corporation to extend the internal water lines and other infrastructure.

1.5 A healthy and safe environment

Urban Renewal

The Housing Authority and the Shire of Broome have worked collaboratively on delivering a significant urban renewal initiative in Broome in three established residential precincts around Anne St, Dora St and Woods Dve. Each of these three precincts is generally characterised by a dominance of government-owned housing, limited housing diversity, ageing housing stock and lower amenity of public spaces and infrastructure than other residential areas in Broome. However, the precincts all present a number of opportunities in that they are located close to employment, retail and community facilities and have existing communities including residents of varied multicultural backgrounds, long-term residents and strong family groups.

The Shire and the Housing Authority signed an MOU to guide their collaboration on the project and have formed a working group of representatives from both organisations to progress the development of an Urban Renewal Strategy to guide the urban renewal initiative. A draft Urban Renewal Strategy has been developed in consultation with the community via a Community and Stakeholder Reference Group, precinct focus groups and one-on-one meetings with community members and stakeholders. The intent of the Strategy is to provide a framework for improving the amenity and liveability of the three precincts, through a program of physical and social improvements for each precinct to be delivered over a 10-15 year timeframe.

As at 30 June 2017, the draft Strategy still required significant refinement, including further consultation with the Community and Stakeholder Reference Group. This work will continue in 2017/18, with the Strategy scheduled to be finalised by December 2017.

Our People



CCTV is installed around Broome as part of the Shire of Broome Community Safety Plan.

Community Safety

Council adopted the Community Safety Plan at the November 2016 Ordinary Meeting following broad consultation with community, key stakeholders and the Community Safety Working Group. Key stakeholders including the WA Police, Yawuru, Broome Chamber of Commerce, Kullarri Patrol, Broome Youth and Families Hub, Department of Justice and Broome Visitor Centre all contributed to the development of the Plan.

The Community Safety Plan will guide the Shire, agencies and the community in acting to reduce the risk of crime and antisocial behaviour, and improve community perceptions of safety. In doing so, the plan provides the foundation for a safe and thriving community.

Initiatives undertaken following the adoption of the plan by Council included the installation of CCTV across the town in identified crime hotspots, and detailed engagement and investigations regarding Council's request for Broome to be considered as a trial site for the Commonwealth Government's Cashless Welfare Card Trial following promising results in the East Kimberley.



An audit of laneways around Broome resulted in six being closed to improve community safety.

CCTV

The Information Services Funds assigned in the 2016/17 budget included a grant from the State CCTV Strategy to allow for the deployment of CCTV in Chinatown, Male Oval and Town Beach. The State Government initiative was based on using integrated CCTV systems throughout the State for improvement of community safety and crime prevention. The Shire has agreed to join that strategy and roll out CCTV to the areas mentioned. An agreement with the State Government was signed in February 2017 and work commenced in April. This project will be the model used for any additional CCTV installation within the Shire and will ensure that the community safety is a priority of the Shire.

The Community
Safety Plan will guide the
Shire, agencies and the
community in acting to
reduce the risk of crime
and antisocial behaviour...

Public Health Plan

In 2016/17, the new Public Health Act 2016 was introduced in WA. The only major change that has impacted the Shire's operations from the introduction of the new Act is changes to the authorisation of Environmental Health Officers (EHOs). Previously, all authorisations were undertaken by the Department of Health. The introduction of the new Act has shifted this responsibility to Local Governments. The Department of Health provides guidance in relation to what experience and qualifications are required. Accordingly, Council resolved at the December 2016 Ordinary Meeting to delegate the power to authorise EHOs to the Chief Executive Officer. Steps have since been taken to ensure that all Shire EHOs are appropriately authorised.

The development of Public Health Plans will rely on further guidance being provided by the Department of Health on criteria for these Plans. The requirement to have a Public Health Plan will not come into effect until the commencement of Stages 4 and 5 of the implementation of the new Act. This is not expected to occur for another 3 to 5 years.

Environmental Health

The Shire Environmental Health Officers (EHOs) monitor the environment, both natural and built, to promote, protect and maintain the health and wellbeing of our communities. EHOs carried out routine auditing and inspections of registered premises on a frequency determined by risk under the relevant legislation. The Shire has currently:

- 242 food premises;
- 52 public buildings;
- 18 caravan parks;
- 3 temporary facilities;
- 10 lodging houses;
- 102 pools with 37 aquatic facilities;
- 10 hairdressing premises;
- 11 beauty therapy premises;
- 22 drinking water sites;
- 3 reuse sites; and
- 13 trading licences.

This year 100 per cent of all scheduled health inspections were completed with a full team of Health Officers.

Along with inspections and regulation requirements for registered premises EHOs assess applications and inspections for:

- onsite waste water disposal;
- events;
- development;
- building; and
- trading licenses.

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

During the year Health was instrumental in numerous projects resulting in positive outcomes for the community including;

- Implementation of the first approved Noise Management Plan in the State for the Broome Speedway. This plan allows for the speedway to continue to operate while managing the noise impact on the community.
- Health instigated and submitted the Shire of Broome entry for the Children's Environment and Health Report Card Project to highlight the importance of Local Government in promoting children's health. The submission resulted in an award for the Shire of Broome.
- Commenced a recreational bacterial water monitoring program in partnership with Department of Health to assess the health of popular waterways in town.
- Working with internal and external stakeholders to improve the management and practice around the reuse water program.
- Throughout the year officers assisted with Department of Health research projects by contributing the SMACK trap trials and trapping data for mosquito research.



Youth Ambassador Vanessa Vljakovic, centre, in Broome.

Our People

Environmental Health Services to Aboriginal Communities

Health advice to Aboriginal communities was maintained by Shire of Broome Environmental Health Services, with routine visits to communities to undertake inspections of food premises and services including onsite waste water disposal, water supplies, accommodation services and other health-related issues outside the Broome town site. The Department of Health has contracted Nirrumbuk Aboriginal Corporation to deliver environmental health services to communities outside the Broome town site.

The Shire worked closely with relevant organisations and stakeholders of communities to maintain standards consistent with the Health Act 1911 within the town communities. Working with relevant organisations and communities a positive outcome was achieved resulting in the removal of an unfit for habitation notice issued at the Mallingbarr Community.

Mosquito Management Strategy

In 2016/17, the Shire of Broome Environmental Health Officers (EHOs) continued to implement a Mosquito Management Strategy approved by Council in December 2015. As part of the strategy, EHOs use a sentinel chicken flock to assist with the detection of diseases such as Ross River Virus and Murry Valley Encephalitis. The sentinel chicken program is combined with weekly mosquito trapping activities during the wet season to monitor mosquito numbers across the Broome town site along with identifying the dominant species of mosquito.

EHOs take proactive measures to reduce the number of larvae that may be breeding in fresh water reservoirs on Shire-managed land. This includes treating pooling water, treating water reuse tanks and the treatment of Shire-managed buildings. The main focus of the program is to apply larvicide with the aim of preventing adult mosquitoes developing.



Shire Environmental Health Officers monitor and manage mosquitoes around the town site.

Trapping commenced on 2 February 2017, with more than 20,000 mosquitoes trapped throughout the season. Nearly 70 per cent of mosquitoes were identified as *Ades vigilax*. This is a known pest species and carrier of Ross River Virus and Barmah Forest Virus.

Fogging was undertaken throughout the town site on 3 February 2017. Localised fogging was undertaken around the Speedway and Lullfitz Dve areas on 3 March 2017 after the trapping program indicated that fogging may provide localised relief from high mosquito numbers.

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

To assist with the implementation of the Strategy, Shire EHOs worked closely with Shire outdoor staff to provide training in the identification of breeding sites and the subsequent application of minor larviciding treatments. Some staff also assisted in the fogging program. The EHOs maintained close relationships with neighbouring Shires and the Department of Health through the season to ensure the management strategies applied were consistent and would provide the best possible outcomes. A post-season review was held in early April 2017 with Department of Health representatives in Broome. The Department representatives indicated they supported how the Shire was conducting the Mosquito Management Strategy.

Policies and Local Planning Policies

Local Planning Policies (LPPs) perform an important role to guide development within the Shire of Broome. A review of all LPPs commenced in March 2016 and over this time they were workshopped with Council to ensure the policies aligned with Council's strategic direction. The policy review was finalised in May 2017 and the following outcomes have been delivered:

- Ten LPPs were revoked. These Policies were revoked as they were either administrative in nature or were combined into other LPPs to avoid duplication and assist in streamlining the planning process.
- All other LPPs were reviewed to update terminology, remove unnecessary provisions, to include additional exemptions, etc.



Beach closure following a confirmed crocodile sighting.

Ranger Services

Ranger Services is responsible for the administration and enforcement of several 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 fulltime Rangers and a Ranger Coordinator to provide coverage seven days a week for 12 hours on weekdays (6am to 6pm) and eight hours across a 10-hour period (7am to 5pm) on weekends. Rangers processed 1096 customer service requests and 505 items of correspondence, completing 4873 recorded actions ranging from issuing fire permits to closing beaches. Additional unrecorded tasks included providing advice and information to the public.

In 2016/17 Rangers worked towards improving community education and compliance. A key focus of this has been adjustments to procedures, specifically the processes associated with the investigation and documentation of alleged offences.

Quality operational equipment and training is critically important and improvements in 2016/17 included replacing the vehicular animal "pods", with one vehicle upgraded and a second due in early 2017/18. Rangers completed an intensive two-day firearms handling course, allowing the safe and legal use of the department's firearms should the need arise.

Animal Control

In 2016/17 Rangers investigated 102 dog attacks varying in severity from rushes to extensive injuries and hospitalisation. To improve community compliance, Rangers focussed on reducing the overall level of unregistered, improperly contained and unleashed dogs. Rangers continued to build effective partnerships with organisations including Nirrumbuk Aboriginal Corporation and SAFE. Following a severe dog attack and the subsequent request from the Bidyadanga Police, Shire Rangers and Nirrumbuk employees cooperated to orchestrate the capture and removal of several aggressive dogs from the community.

Early morning operations were ongoing and often resulted in 10 or more unregistered dogs being captured while wandering at large. These operations were enhanced in 2016/17 with the purchase of a dart rifle that has greater range than the existing dart pistol. Overall 406 dogs were impounded for the year.

Responsible cat ownership has been targeted through mandatory registration, microchipping and capture of 260 cats. The captures were mainly achieved using traps. The traps are often placed on private property in response to complaints by residents.

Parking

The regulation of parking remains a key focus of Rangers accordingly 550 infringements and 462 warnings were issued.

Bushfire

Ensuring property owners complied with the Bush Fires Act 1954 was a priority for Rangers. Bushfire management for all Shire reserves have been reviewed and measures put in place for ongoing hazard reduction. Fire Break inspections in key rural areas have been conducted for the first time ever by an unmanned aerial vehicle. This technology allowed very high resolution imagery to be captured allowing preliminary assessment by a panel of fire control officers, minimising both time and resources required. There were 682 properties inspected and Rangers continue to work with property owners to ensure community safety.

Rangers have continued to develop and maintain key partnerships with organisations and State Government agencies such as Yawuru, Department of Fire and Emergency Services and the Department of Parks and Wildlife. Joint patrols have been conducted regularly with the Yawuru Rangers and the nucleus of an interagency strategic bushfire plan for the town site of Broome has been developed.

New Broome Volunteer Bushfire Brigade Station

In 2016/17, Shire officers worked with Department of Lands and the Department of Fire and Emergency Services to identify suitable sites for a new Broome Volunteer Bushfire Brigade Station within Broome. The site must meet certain criteria such as proximity to services, level of flood hazard immunity and proximity to the Broome town site along with size and access requirements. The search for a suitable site will continue in 2017/18.

Our Place

The Shire of Broome aims to help protect the natural and built environment and cultural heritage of Broome. These are the strategies put in place to achieve this, and a summary of progress made during 2016/17.

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

Cable Beach Development Strategy

The Cable Beach Development Strategy was adopted by Council on 28 July 2016. It provides guidance for future land use and development within the Cable Beach tourist district, and includes recommendations for how the Shire and its relevant partners could work together to achieve the objective of the Local Planning Strategy.

The Strategy includes two components: 'Development Control' provisions which are to be used by staff and Council when assessing Development Applications and subdivision referrals; and 'Shire of Broome Direction' which guides 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.

Cable Beach Foreshore Master Plan

In September 2016 the Shire engaged UDLA to prepare a Master Plan for the Cable Beach foreshore area and adjacent portions of the Cable Beach Rd West Road Reserve. The draft Master Plan considers in greater detail the concept designs that formed part of the Cable Beach Development Strategy (2016). It is intended the Master Plan will provide a long-term vision for the Cable Beach Foreshore area and be used as a tool to facilitate investment in community infrastructure through municipal funds, grants, and public and private partnerships.

The draft Cable Beach Foreshore Master Plan was adopted for the purposes of advertising at the June 2017 Ordinary Meeting of Council.

The Master
Plan will provide a
long-term vision
for the Cable Beach
Foreshore area...

Developer Contribution Scheme

On 30 March 2017 Council resolved to advertise Local Planning Scheme No. 17 Amendment No.2. This amendment is for the establishment of a Development Contribution Area (DCA) and preparation of a Development Contribution Plan (DCP) for new residential subdivisions in Broome. This will enable the Shire to seek a monetary contribution from land developers for community and standard infrastructure items that are required to support the orderly development of an area. The amendment has been advertised and will be presented to Council in the next financial year.

Aboriginal Cultural Heritage Policy



The Shire of Broome administration building turns purple to mark Sorry Day 2017.

The Shire of Broome is recognised as having a rich cultural heritage, with significant Aboriginal cultural heritage present. As the Shire performs a number of functions which can interact with Aboriginal cultural heritage, a policy was drafted in 2016/17 and adopted by Council at the February Ordinary Meeting to guide how and when the Shire will consult with key stakeholders in this regard. This will ensure that Aboriginal cultural heritage is taken into account when both planning for, and undertaking works.

To assist landowners and potential developers understand their obligations with regard to Aboriginal heritage, an information sheet was prepared in 2016/17. The information sheet is in draft form and has been forwarded to the Department of Aboriginal Affairs for comment and review. Once comments are received, the information sheet will be finalised and made available to the general public on the Shire website.



The launch of the Broome Chinatown Revitalisation Project.

Policy Reviews

In 2016/17 a full review of all of the Development Services Directorate's Policies, Local Planning Policies (LPPs) and Local Laws was undertaken. Workshops were held with Council regarding the content of existing Policies, LPPs and Local Laws and proposed changes to these documents. As a result of the review, changes were made to a number of Development Services Policies, LPPs and Local Laws. The intent of these amendments was to make these documents easier to interpret and reduce red tape for the Broome community and businesses.

Chinatown Revitalisation Project

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

Following the engrossing of the Financial Assistance Agreement (FAA) \$10 million was deposited into a WA Treasury Corporation Account to be transferred in agreed lump sums upon achievement of project milestones set out in the FAA. The projects have been scheduled across two years and the first of these milestones was

the signing and return of the FAA which triggered a milestone payment of \$500,000. The second milestone date was 31 December 2016 and required the submission of finalised project plans for all 10 sub-projects and the completion of the Chinatown Investment and Development Coordinator Two Year Activity Plan. These milestone requirements were met and a further \$1.3 million was released. The third milestone date was 30 June 2017 and these milestone requirements were also met with a further \$4.75 million due for release.

A project director was engaged in October 2016 and leads the specialist consultants engaged to deliver the feasibility studies and design and construction projects detailed in the Chinatown Revitalisation Business Case. The communications and engagement consultancy team was also engaged to manage external communication of the suite of projects forming part of the CRP and manage community and stakeholder engagement for the feasibility projects, with the exception of the Cultural and Interpretive Centre.

Chinatown Stakeholder and Community Reference Group

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

Chinatown Investment and Development Coordinator

The Chinatown Investment and Development Coordinator started in October 2016 and has key responsibilities including:

- Develop a two-year activity plan outlining a program of activities and events for activating Chinatown;
- Maintain effective and co-operative communications with traders, land owners and other key stakeholders in Chinatown;
- Provide a central point of communication for consultants engaged to undertake, manage and/or facilitate sub-projects;
- Develop strategies to encourage commercial tenant attraction and engagement, and facilitate and realise investment in Chinatown;
- Project manage/coordinate activation events, small capital projects and promotional activities in Chinatown;
- Facilitate an ongoing program of events, place activation and branding for Chinatown.

Design and Construction Projects

In 2016/17 there was significant progress on the conceptual layout to transform the streetscape, and the creation of elements that will revitalise Chinatown. This progress has been made with regard to feedback from the Chinatown Stakeholder and Community Reference Group, traders and landowners and Council through workshops and several rounds of specific stakeholder engagement including group sessions and one-on-one follow up.

The draft Master Plan represents an evolution of design ideas and will provide an overall plan for the Chinatown precinct. Prioritisation of areas within the plan will be based on funding available and the project definitions included within the FAA. In brief, the Master Plan seeks to reduce bitumen, increase shade and lighting and create 'day rooms' or spaces for alfresco dining, public art, and street side activation such as busking and markets. This improved amenity is proposed to encourage patronage to the precinct and stimulate further private sector investment and economic activity.

Feasibility Projects

A fatal flaw analysis was undertaken on the Gray St Extension and Roebuck Bay Reconnection projects, with the issues highlighted considered significant enough to justify project cessation. A submission will be made to cease work on the Gray St extension and Roebuck Bay Reconnection projects and withdraw funding allocated to these projects for redistribution across other funded activities. While these projects are important in the wider landscape of Chinatown and Broome, it is considered that funding could be spent elsewhere resulting in greater activation and revitalisation benefit.



Events to activate Chinatown are now being rolled out as part of the Chinatown Revitalisation Project.

Kimberley Centre for Culture, Art and Story

This project comprises community and stakeholder engagement, site services investigation, planning, tenure and detailed analysis of the capital, operational and governance requirements for a Broome cultural and interpretive centre. The final task will be to undertake a detailed design and finalise architectural plans and site selection. Key elements of phase two of the Kimberley Centre for Culture, Art and Story have been completed in the reporting period. These form a situation analysis including investigations to benchmark best practice centres nationally and internationally; and further studies into potential governance models, sites and funding sources. Engagement with Kimberley-wide indigenous organisations has established broad support for the concept of a Broome-based centre that provides a gateway to a deeper cultural experience of the region.

The Kimberley Centre for Culture, Art and Story Working Group includes Yawuru, Shire of Broome, Kimberley Development Commission, LandCorp, Tourism WA and the WA Museum.

Town Beach Foreshore Master Plan

Building on the design and consultation undertaken to develop the Old Broome Development Strategy, the Town Beach Master Plan will progress the design and interpretive elements of the precinct. The Master Plan was developed in conjunction with a relevant business case to secure funding for the implementation of the upgrades to the community open space, and the Shire has been successful in securing \$2.8 million in grant funding from Lotterywest. The Master Plan will expand on the interpretation of the history of the locale and improve on the family friendly elements built into the landscape. Extension of the landscaping and 'play' elements targeted at teens will make for a more inclusive and cohesive precinct.



Funding of \$2.8M has been secured to upgrade Town Beach.

Amendments to Local Planning Scheme 6

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. In 2016/17 the Shire considered the following scheme amendments:

- **Amendment No 2** – Development Contribution Plan – This amendment is for the establishment of a Development Contribution Area (DCA) and preparation of a Development Contribution Plan (DCP) for new residential subdivisions in Broome. This will enable Local Government to seek monetary contributions from land developers for community and standard infrastructure items that are required to support the orderly development of an area. The amendment has been advertised and will be presented to Council in the next financial year.
- **Amendment No 3** – Additional Use Health and Wellbeing Retreat Lot 222 Lullfitz Dve. This amendment would allow an additional use, being a health and wellbeing retreat, to be undertaken on the property. This amendment was advertised for public comment and has been forwarded to the Department of Planning.
- **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 was gazetted on 5 August 2016.
- **Amendment No 5** – Coastal Hazard Risk Special Control Area – Introduction of a 'Coastal Hazard Risk' Special Control Area to identify areas within the Broome town site that are considered to be at risk of coastal hazards over a timeframe of 100 years in accordance with State Planning Policy 2.6. This amendment was advertised for public comment and has been forwarded to the Department of Planning.
- **Amendment No 6** – Additional Use Lot 302 Fairway Drive – The 'Additional Use' will facilitate the development of 'Zoological Gardens' land use to allow for ancillary tourist activities in addition to the site's predominant use to pen and graze camels associated with the camel tours on Cable Beach. This amendment was advertised for public comment and has been forwarded to the Department of Planning.
- **Amendment No 7** – Omnibus Amendment to Local Planning Scheme No 6 (LPS6) – This amendment proposes a number of changes to the Scheme Text and Scheme Maps, aiming in all cases to correct anomalies and ensure that the Scheme Text and Scheme Maps are appropriately updated to align both with LPS6, the adopted strategic planning framework and the Planning and Development (Local Planning Schemes) Regulations 2015. This amendment has been advertised and will be presented to Council in the next financial year.

Our Place

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

Development Determinations

Shire Planning Services assessed and determined the following:

- 116 Development Applications;
- 6 Public Works referrals;
- 2 Section 40 Liquor Applications;
- 13 Subdivision/Amalgamation Applications;

The average processing time for development applications in 2013/14 was 69 days... and is down to 19 days in 2016/17.

The total value of Development Applications approved in 2016/17 amounted to \$31,744,798 which is \$2.2 million less than the total value of Development Applications from the previous financial year. The reduction in the overall development value could be attributed to a slow-down in local building activity and a reduction in the number of Development Applications received due to the exemptions created through the gazettal of LPS6 and the minor development policy.

The average processing time for development applications continued to improve in 2016/17. The average processing time for development applications in 2013/14 was 69 days. This decreased to 31 days in 2014/15; 22 days in 2015/16; and is down to 19 days in 2016/17.

Building Services

There was a slight reduction in building applications received in 2016/17 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 two years.

The figures for 2016/17 were marginally lower than those for 2015/16 but relatively consistent for dwelling additions, outbuildings, swimming pools and other associated minor building works. These figures indicate there is still confidence amongst existing homeowners keen to undertake these types of building 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 houses constructed.

Commercial building activity is down from the previous year but is still occurring in the Broome region. Several larger commercial projects completed included the Broome Volunteer Sea Rescue Complex and the first large development completed at the Broome Road Industrial Precinct.

The Shire has again undertaken a significant number of pool fencing inspections for existing pools as required under the mandatory four-yearly inspection program, along with inspections of pool fencing of new swimming pools. A total of 501 pool fence inspections were undertaken in 2016/17. 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	2016/17
Single Dwellings	240	113	91	78	23
Group Dwellings	17	2	0	0	0
Additions	17	21	24	14	13
Outbuildings	72	94	99	126	93
Commercial	29	29	17	24	19
Industrial	4	8	2	3	0
Pools	84	90	86	89	73
Tourist	3	3	0	1	0
Fences	63	43	49	25	32
Public Nature	9	4	5	4	2
Demolition	17	7	16	5	5
Total	562	417	389	369	265

State Reforms

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

- Draft Government Sewerage Policy;
- Draft Development Control Policy 2.2 – Residential Subdivision;
- Revised State Planning Policy 3.6 – Development Contributions for Infrastructure; and
- Draft Guidelines to accompany State Planning Policy 3.6 Development Contributions for Infrastructure.

The Shire has monitored these reforms and made submissions on the relevant draft policy and guideline documents.

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

Coastal Vulnerability Study and Coastal Hazard Risk Management and Adaptation Plan

In June 2016 Council received a Coastal Vulnerability Study (CVS) for the Broome town site identifying that portions of the town site are at risk of coastal inundation and coastal erosion in the period to 2110.

Building on the CVS, the Shire developed a draft Coastal Hazard Risk Management and Adaptation Plan (CHRMAP) to systematically identify and understand coastal hazard risks, and put in place controls to manage them in association with the affected community and stakeholders. The final draft CHRMAP was adopted by Council for the purposes of advertising in March 2017 and it is expected that the finalised document will be presented to Council for adoption in 2017/18 financial year.

Local Environmental Management Strategy

The Shire of Broome State of Environment Report and Environmental Management Plan was adopted in March 2016. The operational responses that form part of the adopted Environmental Management Plan are implemented where possible with the following being delivered in 2016/17:

- Development of bushfire management plans for Shire managed reserves;
- Provision of advice to Department of Environment and Regulation on native vegetation clearing applications;
- Closing Cable Beach to vehicles during the wet season at night and high tide to protect turtle breeding sites;
- Propagation and use of native plants for use in the Shire's landscaping activities;
- Encouraging residents to establish native gardens, including offering free native plants to residents at community events;



A community workshop as part of consultation on the CHRMAP.

Our Place

- Undertaking a fit-for-purpose water supply study to identify alternative sources for irrigation of Public Open Spaces (POS);
- Undertake a District Drainage Strategy to assess impacts from localised flooding and areas of high nutrient loading, and identify and cost capital works and improvements that can be undertaken to alleviate drainage quantity and quality issues.
- Update the extent of the 'Aquifer Recharge' Special Control Area in LPS6 based on the outcomes of the Coastal Vulnerability Study;
- Continue to use and explore opportunities for using recycled wastewater on POS and other irrigated landscapes;
- Continue operational management of foreshores that are the Shire's responsibility;
- Utilise the outcomes of the Coastal Vulnerability Study to determine the appropriate location and lifespan of new coastal areas;
- Continue to monitor and update management planning and operational activities for the in-town reserves in partnership with the Yawuru Registered Native Title Body Corporate and the Department of Parks and Wildlife as the implications of vulnerability assessments become better understood;
- Continue to explore ways of improving energy-use efficiencies as part of asset replacement/refurbishment schedules;
- Continue to improve the Shire's shared path network where possible;
- Review and implement closure plans for the existing landfill site which is nearing its effective working life;
- Continue to employ the full-time Community Clean-Up Crew to maintain and remove litter from parks, gardens, beaches and verges; and
- Continue to operate the orange bag rubbish collection system where individuals can register with the Shire and be paid for rubbish they collect.

Coastal Park Governance

The Shire is a member of the Yawuru Park Council (YPC) along with the Yawuru Prescribed Body Corporate (Yawuru) and the Department of Parks and Wildlife (DPaW). In 2016/17 the YPC Working Group has worked on management plans for the In-Town Conservation Estate and Intertidal Zone.

The draft In-Town Management Plan was endorsed by Council and the YPC for public consultation in 2016/17. The plan was released for public comment and is expected to be finalised in the first half of 2017/18. The Intertidal Zone Management Plan is still a working draft, and the YPC Working Group members will continue to work together with a view to finalising this management plan in 2017/18.

2.4 A preserved historical and cultural heritage of Broome

Cultural Heritage

As part of the Chinatown Revitalisation Project, the Shire has participated in the Kimberley Centre Working Group. This group of key stakeholders includes LandCorp and Nyamba Buru Yawuru Ltd (Yawuru) and is overseeing and participating in the feasibility study and business case for the Kimberley Centre for Culture, Art and Story.

The Shire also worked closely with Yawuru on projects during National Reconciliation Week, headlined by the Beyond the Common Gate exhibition held at the Broome Civic Centre as part of the national recognition of the 50th anniversary of the 1967 referendum. The event was well attended over a number of days by groups from local primary schools as well as the broader community.

Throughout the development of the Town Beach Master Plan, the Shire worked closely with the Broome Historical Society and Yawuru to identify opportunities to reflect heritage and cultural values as part of the project.

Broome Cemeteries

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

There were 27 burials and two interments at the Broome Cemetery in 2016/17.

Broome Cemetery Master Plan

The Broome Cemetery Master Plan was adopted by Council in February 2016 and presents a long-term vision for the Broome Cemetery with planning focused on two areas - the existing site and the adjacent vacant land which has been identified for future expansion. Areas marked for upgrade at the existing site include internal roads, and delineation between grave sites and trafficable areas, which have been now completed. Additionally, in May 2017 Council endorsed the relocation and expansion of the proposed Aboriginal Repatriation area in the Plan. This project will be a joint venture between the Shire and Yawuru as an exemplar of reconciliation. The vision is to develop the area into a memorial that the public can visit in much the same way as the Japanese Cemetery.

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

Tourism Industry Support

In 2016/17 the Shire of Broome provided funding support to a range of tourism organisations and initiatives under the Tourism Administration Policy, with recipients including the Broome Visitor Centre (\$110,000), Australia's North West (\$175,000), Broome Tourism Leadership Group (\$20,000) and other Shire tourism initiatives (\$25,000) with events such as Cable Beach Polo and Broome Marathon supported to continue to develop event-based tourism opportunities. The Shire also provided funding support to Cruise Broome through the Broome Chamber of Commerce (\$25,000) to develop the onshore experience for cruise ship passengers visiting Broome and to work towards Broome becoming a Tier 1 Cruise Ship Destination by 2020.

In 2016/17 the Shire of Broome provided funding support to a range of tourism organisations and initiatives under the Tourism Administration Policy.

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 2017. The meeting shared information amongst stakeholders to prepare them for the busy tourist season and to explain the operation of temporary facilities. It also allowed for feedback to the Shire. A new way of reporting site availability was established to put the onus on operators to relay information to ensure accurate decision making, and this system proved extremely effective. To ensure Health outcomes were achieved Environmental Health Officers responded to numerous complaints in relation to illegally operating caravan parks, resulting in investigations and subsequent closure of these illegal facilities.

Roebuck Bay Caravan Park Redevelopment

The Roebuck Bay Caravan Park is located in an enviable coastal location between the Town Beach foreshore and Demco Park. The caravan park has serviced visitors and tourists to Broome for decades. During 2016/17, Council looked to secure the long-term future of the caravan park and released a tender for the long-term lease and redevelopment. The tender aimed to capitalise on a redevelopment plan Council had previously adopted to guide the future of the caravan park site. The long-term redevelopment tender was not awarded and the Council will look to secure the short-term lease of the park before the end of the calendar year.

Trading Licences

In 2016/17, Environmental Health Officers managed the entire trading portfolio and assisted in the policy and local law implementation for a progressive approach to trading licences.

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

Crab Creek Rd Upgrade

As part of the development of the Broome Road Industrial Estate by LandCorp, Crab Creek Rd was realigned along the entire length (approximately 1560m) of Reserve 25716. A condition of the development of the Nitrate Plant by Marphill Holdings was for them to fully construct the first section (approximately 700m) of the recently realigned road.

The Development Approval of the Water Corporation Waste Water Treatment Plant (WWTP) included a condition of a contribution to the upgrade of Crab Creek Rd from the southern boundary of Reserve 25716 to the entry of the WWTP (approximately 880m). The combination of these conditions along with a contribution from the Shire of Broome will enable construction of an all weather, sealed road from Broome Hwy to the entrance to the WWTP.

The works have been split over two financial years, with Stage One completed on 30 June 2017. Stage Two is due to be completed prior to the 2017/18 wet season.

Our Place



Busy Stewart St next to the Broome Courthouse was upgraded in 2016/17.

Stewart St Upgrade

The section of Stewart St between Hamersley St and Weld St acts as the main access serving the Broome Courthouse and also serves as the main parking area for both the Courthouse during the week and the Courthouse Markets during the weekend. The project was to upgrade Stewart St and construct suitable car parking spaces to service the Broome Courthouse precinct. A combination of Shire workforce and local contractors were utilised to construct the project. Project management was by Shire staff.

The project involved reconstructing the failing pavement of this section of Stewart St as well as constructing formal parking bays on both sides of the road that will service the Courthouse precinct. This included the construction of footpaths, landscaping and upgrade of existing streetlights to Australian Standards. Drainage issues were also addressed.

The majority of site works were completed in December 2016, with asphalt and street lights installed in February/March 2017 by specialist contractors.

Norman and Owens St Connection Project

The Department of Housing requested that Council consider converting the two cul-de-sacs into road connections to show commitment to the Urban Renewal Project in Old Broome. These connections would aid in the renewal of the Old Broome precinct by addressing issues associated with antisocial behaviour and safety. These works were included in the 2016/17 Budget. However, Council resolved at its 30 March 2017 Ordinary Meeting not to proceed with the works based on feedback from residents, and to reallocate some of the funds to other projects with the balance being transferred back into Reserves.

Hamersley St and Napier Tce Intersection Upgrade

The intersection of Hamersley St and Napier Tce (East) is one of only two entrances to Broome's Chinatown CBD and tourism precinct. An application for Black Spot funding for a modified 'T' intersection was successful, with \$1,128,710 being granted in the 2016/17 round and a further \$100,000 contributed by Council.

However, following a design review and initial community consultation it was concluded that constructing this design would not provide a satisfactory outcome, and it was agreed that a revised design should be submitted incorporating a four-leg roundabout. A modified application was resubmitted but was unsuccessful, so it was agreed that the initial grant funding could be carried over to 2017/18.

A recommendation that Council budget for the full roundabout design, including major drainage upgrades at the intersection, was adopted in the 2017/18 budget. Detailed design of the amended concept is underway for construction in 2017/18.

Shire Asset Maintenance and Renewal

A significant 2016/17 wet season posed considerable challenges for maintaining and operating the Shire's public open spaces, civil and building assets, but this was completed successfully in line with budgets and programs and Asset Management Plans.

A review of the infrastructure asset classes was undertaken, the gaps and limitations were identified in the asset inventories, and several measures were put in place to curb these shortcomings across each asset class:

- A visual road condition assessment was conducted across the urban network by the works supervisors in accordance with the ARRB and WALGA condition guidelines.
- A visual condition assessment was conducted on the footpath network by the works supervisors in accordance with the ARRB and WALGA condition guidelines, and new path construction dates were updated based on existing sub divisional plans.
- The building inventory was componentised and updated based on a fair value assessment conducted by NS Advisory.
- The drainage inventory was updated based on existing sub divisional plans.
- Miscellaneous infrastructure assets were added to the RAMM data base.

In 2016/17 capital renewal of several property assets was undertaken. Major projects included carpentry repairs to the Sam Male pearl lugger, with upgrades of the supports, splash boards, hull, hatches and hand rails occurring while maintaining



Tree planting on Carnarvon St in Chinatown.

Our Place

an authentic appearance. The deck was oiled and the lugger was given a fresh coat of paint to increase the overall aesthetic appeal. A new foresail, mainsail, and mizzen sail and associated rigging is being manufactured, with completion expected in the September 2017 quarter.

The scope of works for the internal and external upgrades to the Kimberley Regional Office 1 are underway with detailed costings expected in the September 2017 quarter.

Other projects included replacing air conditioning units at BRAC, the Waste Management Facility and multiple units at the Shire Administration office.

Shire drainage, footpaths, carparks, other infrastructure and parks and oval assets have been managed in line with best practice, with a focus of value for money and retaining safe and functional infrastructure. The Conti Foreshore Drainage project was completed on time and under budget. The Conti Foreshore works will reduce the affect of the tidal rise and fall as the levels of drains have been set to minimise impact, in addition to allowing other development in the area. Footpath upgrades and renewals have been ongoing through the year in line with best practice.

Major projects included the carpentry repairs to the Sam Male pearl lugger



Plant Replacement Program

The Shire's plant replacement was successfully completed within the required timeframe and budget allocation for 2016/17. A wide range of plant and light vehicles were purchased specifically to suit the Shire's needs, and a plant auction to sell off any unused or already replaced plant items proved very successful.

Asset Management Improvement Strategy

TALIS consultants was engaged to produce a combined infrastructure Asset Management Plan which incorporates all the infrastructure asset classes, with the completion expected in early July 2017. The combined plan incorporating a 20 year forward capital works program will provide an overview of all the asset classes showing the required annual renewal costs



Footpath repairs along Dakas St in Cable Beach.

The Shire of Broome aims to create the means to enable economic diversity, growth and lifestyle affordability for the current and future population. These are the strategies put in place to achieve this, and a summary of progress made during 2016/17.



The Shire provided \$50,000 across two years to the Chamber of Commerce and Cruise Broome to develop services for cruise ship visitors.

3.1 Affordable and equitable services and infrastructure

Business Development

During 2016/17 the Shire of Broome provided \$36,600 in funding support to the Broome Chamber of Commerce for projects to support the development of business in Broome, with initiatives including the Small Business Breakfast, Ignite Chinatown Artist Spark, Chinatown Christmas Party and funding support for Cruise Broome to develop experiences for cruise ship passengers.

Safe Boat Harbour

The Broome Boat Harbour Advisory Group has continued to progress work during 2016/17 on a new safe boat harbour in Broome to provide safe all-weather boat launching. A preferred location between Entrance Point and Reddell Point has now been identified and Aboriginal heritage clearances secured. The advisory group was convened in June 2016 by the WA Department of Transport and is chaired by the Broome Shire President.

Waste Management

In partnership with the Waste Authority of WA, a new drop-off area was implemented at the Buckley's Rd Waste Management Facility. Along with improving safety, the drop-off area allows users to separate their waste into sorted streams that can then be treated independently for reuse or recycling where possible to help divert waste from landfill, extending the life of the landfill site and minimising environmental impact.

Verge waste collection has been ongoing through contractor ToxFree with a reliable service provided for collection of general waste and recycling waste streams.

Regional Resource Recovery Park

Sites for the new Regional Resource Recovery Park to replace the Buckley's Rd Waste Management Facility have been investigated in 2016/17. Two sites have been investigated against hydraulic/ water table concerns, heritage, environmental (flora and fauna) and bilbies. Both sites have been considered to be suitable with no concerns needing to be addressed. Council is now at the stage of discussing the land tenure matters at each of the sites in order to finalise an arrangement that would best suit the Broome community into the future, with detailed design to follow. The two sites are both approximately 40km from the town centre of Broome, which may result in a transfer station becoming part of Waste Facility operations in the future to allow domestic waste, aside from normal day-to-day rubbish pick up, to be accessible for residents.

At the existing Waste Management Facility on Buckley's Rd, the capping process outlined in the Landfill Closure Management Plan was completed in 2016/17.

Kimberley Zone of WALGA and Regional Group

The Shire of Broome has been represented at all Kimberley Zone meetings in 2016/17, and continues to support the Kimberley Zone Project Manager through an annual budget allocation.

Our Prosperity

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

Kimberley Regional Offices

The option of constructing a new office complex at the existing Kimberley Regional Offices (KRO) site was considered by Council following completion of a detailed design and tender process. However, the project was assessed as not being warranted given the cost involved and the current economic climate. Council has since moved toward upgrading and modernising the existing KRO building, with an architect appointed to develop the concept.

Key Worker Housing

A suitable property has been identified by the Shire and is currently under offer, awaiting an outcome of further negotiations.

Process Improvements

In 2016/17, Shire Planning Services delivered a number of process improvements to streamline processes and reduce red tape, with initiatives including:

- Review and rationalisation of planning policies.
- Progression of Omnibus Scheme Amendment to correct anomalies and ensure that the Scheme Text and Scheme Maps are appropriately updated to align both with LPS6, the adopted strategic planning framework and the Planning and Development (Local Planning Schemes) Regulations 2015.



Footpath upgrades on Dakas St in Cable Beach.



Hosting a delegation from Broome's Japanese Sister City of Taiji.

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

Economic Development Strategy and Broome Growth Plan

The Broome Growth Plan was prepared as part of the State Government Regional Centres Development Plan (RCDP) initiative. The RCDP initiative was led by the Regional Development Council, through the Department of Regional Development and funded through Royalties for Regions. The growth planning process commenced in late 2015 and the draft Broome Growth Plan was finalised in time to meet the deadline of 31 October 2016.

The Broome Growth Plan project was overseen by a Growth Plan Partnership (GPP) including the Shire, Yawuru, Kimberley Development Commission, LandCorp, Department of Regional Development and Department of Planning.

Since the draft Growth Plan was finalised, a State Election brought about a change in government and at this stage the status of the RCDP initiative has not been determined. However, given the status of the Growth Plan, the significant amount of background research and investigation that informed the document, the strong partnerships and community buy-in that has been developed and the robustness of the document as a guide to the future growth of Broome, the Shire will be looking to progress the finalisation and implementation of the Growth Plan with the other GPP members in 2017/18.

Our Organisation

The Shire of Broome aims to continually enhance its organisational capacity to service the needs of a growing community. These are the strategies put in place to achieve this, and a summary of progress made during 2016/17.

4.1 An organisational culture that strives for service excellence

Human Resource Management

Policy and Procedure

The Shire's internal procedures have been dedicated to increasing safety measures across the organisation and this has been reflected in the occupational safety and health human resources management practices.

The Shire has developed Policies of Council, Directives and Business Operating Procedures to manage fitness for work, performance, drug and alcohol, contractor management, personal protective equipment, sun and weather exposure, danger and out of service tagging, equal employment opportunity, safety inspections, occupational safety consultation and communication and job safety analysis.

Services

The Shire is investigating online capabilities that support standardised internal functions and processes to increase organisational productivity, efficiency and effectiveness.

In 2016/17, the Shire achieved its objective to investigate options for upgrading the recruitment process. The 2017/18 year will include roll-out of e-recruitment software to assist staff to engage in the recruitment process, as well as increase the access of potential candidates to obtain employment at the Shire.

In preparation for the transition the Shire has reviewed and revised procedures for inducting new employees across the broad range of functions of the Shire with the objective of maintaining new employee retention rates.

The Shire is reviewing annual performance appraisal processes to appropriately capture strategic and operational expectations and accurately measure against performance. Online capabilities are being tested to support the organisational system while driving individual employee performance and capturing data.

Workforce Plan

The Workforce Plan was redeveloped in 2016 to align current strategic objectives and develop practical, tangible strategies that guide the workforce until 2020. The Shire has supported the Workforce Plan strategies through increased dedication to recruitment, selection and integration, opportunities for traineeships, apprenticeships and cadetships, reviewing structures comparable to other local governments, increasing workplace safety and health initiatives, standardising organisational risk management practices, delivering compliance, systems and business training, offering healthy workplace initiatives, redesigning reward and recognition efforts and adapting workplace technology.

The Shire has been recognised as a Growth Centre for WA and this requires all departments to achieve high performance through modern industry practices. As the Shire of Broome continues to develop, the Workforce Plan strategies and initiatives work toward attracting and retaining talented individuals who can do more with less and support the Broome community.

The Shire has been
recognised as a Growth Centre
for WA and this requires all
departments to achieve high
performance through modern
industry practices...



Maintaining Broome's parks and gardens.

Our Organisation



The Shire Community Clean-Up Crew maintaining Broome's public spaces.

Training and Development

The Shire's organisational training and development outlines objectives that provide maximum value for money and include:

- Increase return on investment to the Shire and the community;
- Increase retention of corporate knowledge during times of turnover;
- Mitigate risk of financial and non-financial pressure associated with retraining;
- Allow a majority of staff the opportunity to engage in training that will develop career and business skills;
- Meet minimum levels of compliance required for the types of services offered by the Shire in a consistent manner; and
- Have an active training calendar in action each year.

To achieve the objectives the Shire has determined the following strategies:

- Maximum participation and dissemination of corporate knowledge through increased onsite training;
- Build and maintain relationships with associations and quality trainers with a preference to support local providers;
- Ensuring minimum levels of organisational compliance are achieved, if not exceeded;
- Increase retention rates through professional development;
- Sharing like resources within the Kimberley and Pilbara regional Local Governments where possible; and
- Establish training activities in advance to assist management and in forward planning.

The 2016/17 training calendar dedicated over 65 per cent of budget towards Compliance, Business and Systems training to improve services and increase occupational and financial safety. Training initiatives included Local Government procurement; introduction to Local Government for new workers; disability awareness; how to conduct performance appraisal; drugs and alcohol in the workplace; asbestos management; needle and syringe collection; Microsoft Office; armed hold-up prevention; position classification; managing workplace conflict; the Local Government Act – Misconduct; property management training; Native Title; project management; supervisor training; chemical handling; financial training; cultural immersion; Fire Warden; traffic management; having difficult conversations; managing upward; time and email management; job safety analysis; Train the Trainer; and media training. The 2017/18 organisational training will continue to focus on compliance, systems and safety initiatives that mitigate against corporate risk.

Professional development opportunities attract and retain suitably qualified candidates into key roles. Development involves significant financial investment from the organisation and conversely it is reasonable that the organisation expect a high return on investment. Retention strategies have been increased to feed knowledge and experience back into the Shire and community while developing the individual career objectives of employees. Strategies include reimbursement upon successful completion and repayment options when exiting the organisation up to two years in receipt of the benefit.

The Shire continues to support onsite training and development to new workers in the community through work experience and volunteering. Work experience provides valuable opportunities for new workers to engage and develop business skills while servicing the community. The 2016/17 year included work-based experience in Planning, Rangers, Health, Broome Civic Centre, and Parks and Gardens departments.

Our Organisation

Organisational Safety

The Shire actively encourages organisational development in workplace safety through the dedicated efforts of an Occupational Safety and Health Committee, volunteer safety representatives, contractors, workers and leadership.

In addition to the increased occupational safety and health human resources management practices, in 2016/17 the Shire introduced an Emergency Planning Committee to respond in the event of emergency, undertake evacuation and training exercises with employees and report on safety objectives to the OSH committee. This function also saw review of chief warden emergency manuals and all Shire-owned facilities had emergency maps updated in accordance with legislated standards.

The Shire undertook an independent safety audit with the aim of driving safety performance and minimising exposure to workplace hazards. The audit took into account an on-site examination of documents, workplace inspections and interviews with employees. Five categories of assessment included Management Commitment, Planning, Consultation, Hazard Management and Training and Supervision. An action plan was developed to address outcomes and preliminary work led to the engagement of Local Government Insurance Scheme (LGIS) specialist OSH Consultant. Of the five categories of assessment, Planning and Consultation were highlighted as areas of improvement. Preliminary work undertaken has led to the development of safety targets and objectives for 2017-2019, the development of a Safety Management Plan supported by the Executive Management Group, a workplace inspection program, job safety analysis training for the Parks and Gardens department and increased professional development for the OSH committee. The Shire will continue to work with LGIS in the coming financial year to further enhance safety mechanisms that support worker safety and the safety of the Broome community.

Organisational Wellbeing

The safety of Shire workers also includes support services that address employees' health and wellbeing. The Shire operates a Wellbeing Framework that supports health initiatives that can be offered in the workplace. Healthy workplace initiatives look to support the physical, psychological and social satisfaction of our workers with the aim of increasing personal productivity and effectiveness in their personal and professional life.

The Wellbeing Framework delivers health workplace initiatives each year through a Wellness Calendar. The Wellness Calendar assists staff to self regulate, achieve higher levels of satisfaction and keep feeling positive to better manage situations of ill health or stress when they arise. The 2016/17 wellness calendar included lunch and learn webinars in mental health, mindfulness and bullying, a quit smoking campaign, online health assessment, ergonomic assessments, eye examinations, flu shots, financial management seminar, skins checks, four-week yoga and meditation exercise and nutritional program.

The Shire continues to support staff in the workplace through employee benefits such as flexible work arrangements, Employee Assistance Program that offers free counselling to staff and their immediate family members, complimentary health memberships, time off to attend extracurricular volunteer services, rostered days off, nine-day fortnight for outdoor workers, increased leave provisions for sick and annual leave, as well as additional travel days.



Stormwater drainage near Catalinas at Town Beach is moved underground.

Our Organisation

4.2 Sustainable and integrated strategic and operational plans

Information Technology

Shire of Broome Information Services has moved to a digital transformation strategy to improve efficiency within the organisation, with several projects completed to meet the strategy.

The invoice automation project has improved the efficiency of the organisation by automating the workflow of creditor invoices through the system. The new system removed the onerous task of manually entering every invoice into the finance system before they could be processed. This time-consuming process prolonged the period between invoice and payment and extended the period before the creditors were paid. The new system enables faster turnaround time with the benefit of decreasing entry errors.

A further project was the move to using the cloud-based Office 365 for parts of the organisation, meaning that staff will have access to information from anywhere and in a timelier manner.

The organisation has also replaced ageing infrastructure including wireless links between the Waste Facility, Works Depot and BRAC. The improved link speeds have ensured that staff working in these areas have improved access to systems and data. The other infrastructure replacements were internal networks at BRAC, Works Depot and Library. This will ensure that future network equipment will be supported within the replaced infrastructure.

The increase in unauthorised accesses to systems and the increased presence of ransomware and other viruses meant the Shire needed to increase its vigilance in systems protection. The Information Services Department instigated new systems to improve maintenance and protection by automating many of the manual systems. It also conducted a series of tests using a security expert in cyber attacks to ensure data is safe.

Risk Management

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

The Shire manages Risk Management through the Risk Management Technical Advisory Group which reports to Council bi-annually. Achievements for 2016/17 include developing a contractor management system which includes procedure, toolkit and corporate induction, risk management strategy and procedures adopted by Council, reviewing the BRAC Emergency Response and Evacuation Plan, developing a legislative compliance register to record known breaches, developing business operating procedures for monitoring and reporting, procedures for legislative compliance, Business Operating Procedures, cash handling, rate exemption - charitable, signatories bank transaction processing, Waste Facility banking and control the authorised receipting points.

In the coming year there will be increased management in the areas of risk management, internal controls and legislative compliance to ensure strong corporate governance that complies with relevant legislation and works towards integrated planning and reporting requirements.

The new system ” enables faster turnaround time with the benefit of decreasing entry errors.



Decorations go up in Chinatown for Christmas 2016.

4.3 Responsible resource allocation

Long Term Financial Plan

The aim of the Long Term Financial Plan (LTFP) is to provide a long-range view of the financial sustainability of the Shire of Broome. As part of the Shire's Integrated Planning and Reporting Framework, the LTFP is reviewed each year to take into account changing circumstances. The review considers all potential funding sources and resources that are necessary to provide and maintain quality services and facilities for the community over the next 10 to 15 years.

The LTFP supports and informs other strategies and processes such as the Strategic Community Plan (SCP), the Corporate Business Plan (CBP), the Asset Management Plan and the annual budget process.

A full revision of the LTFP was conducted in November 2016 in conjunction with the full review of the Strategic Community Plan and Corporate Business Plan. The revised LTFP was received by Council at the Ordinary Meeting of 15 December 2016 and was used to inform the 2017/18 Annual Budget which was adopted by Council on 29 June 2017.

Rates

Review of Valuation Method Used for Rating Properties

To achieve the requirement of the Local Government Act 1995 for rural land to be rated on its Unimproved Value (UV) and non-rural land to be rated on its Gross Rental Value (GRV), a review was undertaken that identified a number of properties being rated on a UV basis, but on which significant commercial activities were being carried out. These properties therefore had considerable advantage over properties used for rural purposes. The process included extensive consultation with the affected ratepayers to confirm the predominant use of land along with other information gathered from land use declaration forms, building plans, site visits and aerial imaging. Consultation with affected ratepayers commenced in April 2016, first to notify them of the review and to seek feedback then subsequently in December 2016 to inform them of the outcome of the review. Approval from the State Government and seeking revised valuations were communicated to the ratepayers in March 2017. In June 2017, the Shire informed the affected ratepayers of the change in rates amount payable.

Rating categories were changed for a total of 108 properties. Overall this review led to a reduction in rates for almost half of the properties reviewed, with major increases experienced in only a handful of cases where significant commercial operations were being conducted but were rated as a rural property. About 15 properties experienced a significant increase in rates and therefore the increase in rates for these properties has been phased in over a period of three years (2017/18, 2018/19 and 2019/20).

Any change in the basis of valuation will be effective from 1 July 2017.

In addition to the review of valuation methodologies used, several reviews in rating methodologies also commenced and remained in progress at 30 June 2017. This includes the review of pensioner rebates and deferrals and review of rate exempt properties. The aim of these reviews is to ensure that rates are levied on all rateable properties fairly and equitably. These reviews will be performed every three years thereafter.

Rates Function In-sourcing

The Shire traditionally relied heavily on IT Vision, the Shire's provider of core business software, in the performance of several key rates functions and services. The budgeted demand for IT Vision's involvement reached up to 432 hours in 2015/16 with an estimated cost of \$52,000. With the further building of internal capacity and specialised training, the Shire has successfully transitioned several important rates activities such as month-end procedures, pensioner management and rebate processing, instalment and final notice preparation, debt collection reports, and ratepayer data maintenance. Internal procedures supporting these activities have been prepared to ensure that corporate knowledge is retained and transferred during staff changes and minimise the need to revert these rates activities back to an outsourced arrangement.

IT Vision's Rates Services have been budgeted at \$22,000 for the next year which is reducing from \$31,000 in 2016/17 and \$52,000 in 2015/16. The Shire is continually working on identifying other activities currently outsourced to IT Vision that can potentially be done in-house to implement targeted training.

Alternative Payment Arrangements

The Shire recognises that ratepayers and debtors may, at times, encounter difficulty in paying rates on the due dates set by Section 6.50 of the Local Government Act 1995. With the Shire's commitment to provide support and quality customer service to assist ratepayers and debtors in meeting their legal commitments, the Shire introduced the acceptance of alternative payment arrangements. Ratepayers may request a weekly, fortnightly or monthly payment arrangement at a minimal cost. Interest will continue to accrue until the outstanding rates are fully paid but the periodic repayments will be reduced at an amount that would be suitable for the ratepayer's circumstances.

Our Organisation



The Shire was pleased to again give away free native plant seedlings to the community 2016/17.

Audits, Reviews and Strategies

The Shire once again delivered an efficient budgeting process which helped achieve the timely adoption of the 2017/18 Annual Budget. This was achieved through incremental improvements in the use and features of Magiq Performance Budget Management Software. The Shire also started using Magiq in its Finance and Costing Review (FaCR) which improved the data gathering, analysis and reporting of budget variances on a quarterly basis. Rather than consolidating a number of Microsoft Excel spreadsheets completed by more than 30 Responsible Officers across the Shire to build the overall organisation budget and budget variance explanations, Magiq provides a more sophisticated and easy to use budgeting, reporting and strategic planning tool. The software fetches live and real-time financial information from the Shire's core business system which translates to quick and easy access to meaningful financial information. Considerable time-savings and reduced risk from manual handling of financial data were among the key benefits realised.

The Financial Services Unit is continually working on the next phases of customising Magiq in order to provide management with easy access to both budgetary data, financial reporting and other ad-hoc financial information.

4.4 Improved systems, processes and compliance

Integrated Strategic Planning – Full Review of Strategic Community Plan and Corporate Business Plan

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

Amendments to the Local Government (Administration) Regulations 1996 have better defined what comprises a Plan for the Future. These amendments were supported by the State-wide introduction of the Integrated Planning and Reporting (IPR) Framework. The IPR Framework was introduced to ensure the integration of community priorities into strategic planning for Councils. The Strategic Community Plan (SCP) is the head document of the IPR framework and provides the longer-term view (10-year-plus timeframe) and sets out the vision, aspirations and objectives of the community. Regulation 19C(4) of the Local Government (Administration) Regulations 1996 requires the SCP to be reviewed at least every four years. A full review of the SCP was undertaken in the first half of 2016/17. During the review the community were invited to share their visions and aspirations for the future by completing either a hardcopy or online survey. They were also requested to indicate their current levels of satisfaction with services and facilities, along with their views of the importance of the services and facilities. The review was advertised in the Broome Advertiser, Shire website (with a link to the online survey) and notices were placed on the Administration and Library notice boards.

Emails advising of the review and attaching a copy of the public notice were forwarded to the communities of Ardyaloon, Beagle Bay, Bidyadanga, Djarindjin and Lombadina.

A community workshop was held on 8 September 2016 and an information stand was set up at the Boulevard shopping centre on 10 September. Staff were in attendance to assist with any questions and to provide printed copies of the survey. The feedback from the Community consultation was taken into consideration during the review of the SCP.

Extensive community consultation was undertaken as part of the development of the Broome Growth Plan. Results of this engagement were taken into consideration in the development of the Strategic Community Plan 2017-2027 to maximise the alignment of the Broome Growth Plan and the SCP.

Following the full review, Council adopted the Shire of Broome Strategic Community Plan 2017-2027 and the Corporate Business Plan 2017-2021 at the Ordinary Meeting of Council held 15 December 2016.

Our Organisation



Broome daycare students help plant native trees around Broome Recreation and Aquatic Centre.

Local Public Notice of the adoption of the reviewed plans appeared in the Broome Advertiser on 12 January 2017 and notices were placed on the Administration and Library notice boards and Shire website. Based on community feedback, the following new Strategies were included:

- 1.2.3 – Advocate for the development of aged care facilities and services
- 1.4.4 – Advocate for and promote regional sporting events and competitions.

Some minor amendments were made to the wording of the current Objectives, Outcomes and Strategies. Where the desired Outcome was considered part of an already defined broader Outcome, the Outcome was removed and associated Strategies and Actions realigned accordingly. Completed Actions were removed from the reviewed Corporate Business Plan.

Improved Business Processes

The Shire is committed to continual improvement and has focused resources on a number of internal processes, controls and systems in an effort to maximise efficiencies and minimise expenditure across the business. Numerous improvements were identified leading into 2016/17 with financial and human resources allocated to reviewing and improving performance from a productivity and cost perspective. Significant progress has been made towards addressing areas of identified improvement with the following tasks completed during the period:

- Development and review of internal operating procedures across the organisation including review of Council Policies and Business Operating Procedures;
- Review of staff and contractor induction programs utilising electronic and online mediums;
- Revised methodology for Activity Based Costing overhead allocations;
- Development of Legislative Compliance framework including associated policy and procedure;
- Development and implementation of Organisational Risk Management Framework and Strategy.

Additionally a number of business system improvements were budgeted over the financial year based on approved project briefs. A number of these projects were designed to improve the reporting capabilities of key information systems which has resulted in significant improvements to critical functions such as budget development, payroll, human resources management and rates. Additionally, the improved reporting capacity of business systems has allowed the organisation to improve on its ability to extract and decipher business information to make faster, more informed decisions.

Online services was a target area and a number of projects were implemented during the year in an effort to improve the organisation's ability to provide information and respond to customer enquiries via online systems. This has improved responsiveness while providing additional engagement, information and payment options for our customers.

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 2016

Officers undertook a review of the Local Government Property and Public Places Local Law 2012 however due to the scope of the changes, Council resolved to make a new Local Law, and subsequently the Local Government Property and Public Places Local Law 2016 was made and will take effect in July 2017.

A review of the Parking and Parking Facilities Local Law was undertaken, with the Parking and Parking Facilities Amendment Local Law 2017 due to come into effect in the latter half of 2017. In April 2017, Council proposed to make the Parking and Parking Facilities Amendment Local Law (2) 2017 and this is also due to come into effect in the latter half of 2017.

A review of the Trading, Outdoor Dining and Street Entertainment Local Law 2003 led to the creation of the Trading, Outdoor Dining and Street Entertainment Local Law 2016 which came into effect on 30 January 2017.

Officers commenced a review of the Health Local Law 2006, however any action in relation to this local law has been deferred, pending the release of a model Health local law by the Department of Health.

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:

Range	Count of Employees
100,000-109,999	14
110,000-119,999	13
120,000-129,999	4
140,000-149,999	1
150,000-159,999	2
210,000-219,999	1
Grand Total	35



St Mary's College students perform at Broome Air Raid 75th Anniversary commemorations.

Our Organisation

Complaints

During 2016/17 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 website.

In 2016/17 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 10 FOI applications in 2016/17 of which all have been successfully processed within legislated timeframes. One application was received in the previous year and was successfully completed. 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.

For further information on Freedom of Information at the Shire of Broome please visit the FOI page on the Shire website.

Shire of Broome Amended Recordkeeping Plan 2014

The State Records Commission, on behalf of the State Records Office, approved the Shire of Broome amended Recordkeeping Plan in February 2014. The amended plan details the goals and strategies for recordkeeping within the Shire 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 Disability Services Act 1993 requires all Local Governments and selected State Government agencies to develop a Disability Access and Inclusion Plan (DAIP). The Shire's current DAIP extends to the end of 2017, and so work on a new DAIP commenced in 2016/17 with a community engagement framework prepared to guide the development of the new DAIP. Consultation on the new DAIP will occur throughout the remainder of 2017, with a new DAIP to be submitted to the Disability Services Commission at the end of 2017.

Under the existing DAIP, in 2016/17 the Shire's Access and Inclusion Advisory Committee met three times to contribute to implementation. The Shire of Broome has undertaken a number of key initiatives to enhance access and inclusion during 2016/17 and more detail on these can be found under Item 1.3.

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. It is proposed to review the Code of Conduct in 2017/18.

The Shire received 10 FOI applications in 2016/17 of which all have been successfully processed within legislated timeframes. ”

Our Organisation

Property Department Disposals/Acquisitions

In 2016/17 the following disposals/acquisitions were considered and resolved by Council:

18 Broome Road	Broome Visitor Centre	01/01/2017 to 31/12/2022	Lease Renewal
18 Broome Road	Courthouse Collections	01/01/2017 to 31/12/2020 + 3+3	Lease Renewal
Portion Reserve 34305	Kimberley Wild Expeditions	01/06/2017 to 31/05/2022	New Lease
Portion of Reserve 58985, Lullfitz Drive	Stephen Madden	01/10/2017 to 30 September 2017	New Lease
Tenancy 10 at Kimberley Regional Offices Building 2	Minister for Works	01/11/2016 to 30/03/2018	New Lease
69 Robinson Street, Broome	Shire of Broome	06/09/2017	Freehold land and improvements acquisition

Policy

In accordance with Council Policy 1.2.1 – Policy Manual, each policy is to be reviewed at least every two years for presentation to Council following the Ordinary Local Government election. Policies were last reviewed and presented to Council at the Ordinary Meeting of Council held 17 December 2015. The next full policy review will be undertaken and presented to Council following the 2017 Ordinary Local Government election.

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



Shire President Ron Johnston and Kimberley MLA Josie Farrer announce funding to implement the Town Beach Foreshore Master Plan.

2016/17 Financial Statements



2016/17 Financial Statements

Statement by the Chief Executive Officer.....	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 Audit Report.....	111
Supplementary Ratio Information.....	113

Statement by the Chief Executive Officer

SHIRE OF BROOME FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2017

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 supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2017 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 3rd day of October 2017



Sam Mastrolemba
Chief Executive Officer

Statement of Comprehensive Income by Program

For the Year Ended 30 June 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue	2(a)			
Governance		54,475	33,596	266,073
General purpose funding		24,786,401	23,998,076	22,242,126
Law, order, public safety		128,322	141,330	130,659
Health		168,774	162,800	188,156
Education and welfare		63,506	105,160	33,636
Housing		564,628	565,175	486,274
Community amenities		7,388,752	7,869,568	7,753,726
Recreation and culture		1,220,824	947,964	1,238,862
Transport		1,733,578	1,198,610	1,182,560
Economic services		1,397,653	900,805	830,954
Other property and services		2,422,211	2,090,904	2,493,911
		<u>39,929,124</u>	<u>38,013,988</u>	<u>36,846,937</u>
Expenses	2(a)			
Governance		(2,583,023)	(2,821,051)	(3,293,308)
General purpose funding		(563,491)	(243,543)	(381,142)
Law, order, public safety		(1,343,709)	(1,287,485)	(1,168,479)
Health		(750,071)	(748,175)	(679,897)
Education and welfare		(693,032)	(837,221)	(745,286)
Housing		(596,007)	(602,040)	(568,318)
Community amenities		(8,984,885)	(9,408,081)	(8,462,648)
Recreation and culture		(9,366,355)	(10,140,199)	(9,436,740)
Transport		(12,086,715)	(7,989,860)	(12,479,529)
Economic services		(2,733,315)	(1,609,798)	(1,516,684)
Other property and services		(3,430,406)	(2,511,389)	(3,007,538)
		<u>(43,131,009)</u>	<u>(38,198,842)</u>	<u>(41,739,569)</u>
Finance costs	2(a)			
Community amenities		0	0	(2,139)
Recreation and culture		(155,010)	(161,775)	(196,109)
Economic services		(1,162)	(1,755)	(8,954)
Other property and services		0	(34,807)	0
		<u>(156,172)</u>	<u>(198,337)</u>	<u>(207,202)</u>
		<u>(3,358,057)</u>	<u>(383,191)</u>	<u>(5,099,834)</u>
Non-operating grants, subsidies and contributions	30	6,053,541	6,858,963	4,770,198
Profit on disposal of assets	21	34,930	26,240	6,424
(Loss) on disposal of assets	21	(633,730)	(127,024)	(64,980)
Reversal of prior year loss on revaluation of plant and equipment	6(b)	0	0	325,066
Net result		<u>2,096,684</u>	<u>6,374,988</u>	<u>(63,126)</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	(1,077,029)	0	0
Total other comprehensive income		<u>(1,077,029)</u>	<u>0</u>	<u>0</u>
Total comprehensive income		<u>1,019,655</u>	<u>6,374,988</u>	<u>(63,126)</u>

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

Statement of Financial Position

As at 30 June 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	3	37,606,384	32,802,796
Trade and other receivables	4	1,732,889	2,767,937
Inventories	5	36,645	25,374
TOTAL CURRENT ASSETS		39,375,918	35,596,107
NON-CURRENT ASSETS			
Other receivables	4	17,061	17,498
Property, plant and equipment	6	89,365,233	88,879,451
Infrastructure	7	304,126,067	308,669,334
TOTAL NON-CURRENT ASSETS		393,508,361	397,566,283
TOTAL ASSETS		432,884,279	433,162,390
CURRENT LIABILITIES			
Trade and other payables	8	3,754,062	4,145,800
Current portion of long term borrowings	9	592,743	868,715
Provisions	10	2,025,744	2,209,990
TOTAL CURRENT LIABILITIES		6,372,549	7,224,505
NON-CURRENT LIABILITIES			
Long term borrowings	9	2,319,237	2,911,981
Provisions	10	448,291	301,357
TOTAL NON-CURRENT LIABILITIES		2,767,528	3,213,338
TOTAL LIABILITIES		9,140,077	10,437,843
NET ASSETS		423,744,202	422,724,547
EQUITY			
Retained surplus		120,385,478	120,676,373
Reserves - cash backed	12	31,382,437	28,994,858
Revaluation surplus	13	271,976,287	273,053,316
TOTAL EQUITY		423,744,202	422,724,547

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

Statement of Changes in Equity

For the Year Ended 30 June 2017

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 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	0	0	0	0
Total comprehensive income		(63,126)	0	0	(63,126)
Transfers from/(to) reserves		(3,299,395)	3,299,395	0	0
Balance as at 30 June 2016		120,676,373	28,994,858	273,053,316	422,724,547
Comprehensive income					
Net result		2,096,684	0	0	2,096,684
Changes on revaluation of assets	13	0	0	(1,077,029)	(1,077,029)
Total comprehensive income		2,096,684	0	(1,077,029)	1,019,655
Transfers from/(to) reserves		(2,387,579)	2,387,579	0	0
Balance as at 30 June 2017		120,385,478	31,382,437	271,976,287	423,744,202

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

Statement of Cash Flows

For the Year Ended 30 June 2017

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		21,408,835	21,704,976	20,944,467
Operating grants, subsidies and contributions		6,393,803	4,254,681	2,510,747
Fees and charges		10,421,270	10,967,172	10,930,409
Interest earnings		1,259,609	1,082,159	1,217,083
Goods and services tax		3,439,022	150,000	2,753,498
Other revenue		1,303,511	5,000	1,027,616
		<u>44,226,050</u>	<u>38,163,988</u>	<u>39,383,820</u>
Payments				
Employee costs		(15,300,415)	(15,988,493)	(14,864,732)
Materials and contracts		(10,500,083)	(9,597,457)	(8,667,241)
Utility charges		(1,914,013)	(1,947,115)	(1,656,317)
Interest expenses		(160,265)	(198,337)	(211,112)
Insurance expenses		(682,631)	(707,205)	(702,784)
Goods and services tax		(3,261,441)	0	(2,863,525)
Other expenditure		(2,654,014)	(2,452,231)	(1,948,690)
		<u>(34,472,862)</u>	<u>(30,890,838)</u>	<u>(30,914,401)</u>
Net cash provided by (used in) operating activities	14(b)	<u>9,753,188</u>	<u>7,273,150</u>	<u>8,469,419</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(5,949,799)	(14,430,276)	(2,849,732)
Payments for construction of infrastructure		(4,715,706)	(6,729,861)	(6,254,609)
Non-operating grants, subsidies and contributions		6,053,541	6,858,963	4,770,198
Proceeds from sale of fixed assets		531,080	501,000	218,091
Net cash provided by (used in) investment activities		<u>(4,080,884)</u>	<u>(13,800,174)</u>	<u>(4,116,052)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(868,716)	(972,483)	(988,046)
Proceeds from new debentures		0	4,297,298	0
Net cash provided by (used in) financing activities		<u>(868,716)</u>	<u>3,324,815</u>	<u>(988,046)</u>
Net increase (decrease) in cash held		<u>4,803,588</u>	<u>(3,202,209)</u>	<u>3,365,321</u>
Cash at beginning of year		32,802,796	30,561,780	29,437,475
Cash and cash equivalents at the end of the year	14(a)	<u><u>37,606,384</u></u>	<u><u>27,359,571</u></u>	<u><u>32,802,796</u></u>

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

Rate Setting Statement

For the Year Ended 30 June 2017

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Net current assets at start of financial year - surplus/(deficit)		<u>1,691,093</u>	<u>601,252</u>	<u>3,438,647</u>
		1,691,093	601,252	3,438,647
Revenue from operating activities (excluding rates)				
Governance		54,475	47,491	266,073
General purpose funding		3,325,885	2,293,100	1,340,949
Law, order, public safety		140,221	141,330	130,659
Health		168,774	162,800	188,156
Education and welfare		63,506	105,160	33,636
Housing		564,628	565,175	486,274
Community amenities		7,388,752	7,869,927	7,753,726
Recreation and culture		1,233,086	948,765	1,238,862
Transport		1,733,578	1,198,610	1,182,560
Economic services		1,397,653	900,805	830,954
Other property and services		<u>2,432,980</u>	<u>2,102,089</u>	<u>2,500,335</u>
		18,503,538	16,335,252	15,952,184
Expenditure from operating activities				
Governance		(2,593,397)	(2,821,051)	(3,293,308)
General purpose funding		(563,491)	(243,543)	(381,142)
Law, order, public safety		(1,343,709)	(1,287,485)	(1,168,479)
Health		(752,209)	(750,445)	(679,897)
Education and welfare		(693,032)	(837,221)	(745,286)
Housing		(596,007)	(602,040)	(568,318)
Community amenities		(9,099,038)	(9,442,112)	(8,464,787)
Recreation and culture		(9,525,343)	(10,301,974)	(9,632,849)
Transport		(12,086,715)	(7,989,860)	(12,479,529)
Economic services		(2,737,337)	(1,611,553)	(1,525,638)
Other property and services		<u>(3,930,633)</u>	<u>(2,636,919)</u>	<u>(3,072,518)</u>
		(43,920,911)	(38,524,203)	(42,011,751)
Operating activities excluded from budget				
(Profit) on disposal of assets	21	(34,930)	(26,240)	(6,424)
Loss on disposal of assets	21	633,730	127,024	64,980
Movement in deferred pensioner rates (non-current)		437	0	0
Movement in employee benefit provisions (non-current)		94,089	0	(325,667)
Depreciation and amortisation on assets	2(a)	<u>12,516,081</u>	<u>7,506,341</u>	<u>12,081,440</u>
Amount attributable to operating activities		<u>(10,516,873)</u>	<u>(13,980,574)</u>	<u>(10,806,591)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		6,053,541	6,858,963	4,770,198
Proceeds from disposal of assets	21	531,080	501,000	218,091
Purchase of property, plant and equipment	6(b)	(5,949,799)	(14,430,276)	(2,849,732)
Purchase and construction of infrastructure	7(b)	<u>(4,715,706)</u>	<u>(6,729,861)</u>	<u>(6,254,609)</u>
Amount attributable to investing activities		<u>(4,080,884)</u>	<u>(13,800,174)</u>	<u>(4,116,052)</u>
FINANCING ACTIVITIES				
Repayment of debentures	22(a)	(868,716)	(972,483)	(988,046)
Proceeds from new debentures	22(a)	0	4,297,298	0
Transfers to reserves (restricted assets)	12	(6,524,128)	(4,329,448)	(7,356,102)
Transfers from reserves (restricted assets)	12	<u>4,136,549</u>	<u>7,080,405</u>	<u>4,056,707</u>
Amount attributable to financing activities		<u>(3,256,295)</u>	<u>6,075,772</u>	<u>(4,287,441)</u>
Surplus(deficiency) before general rates		<u>(17,854,052)</u>	<u>(21,704,976)</u>	<u>(19,210,084)</u>
Total amount raised from general rates	23	<u>21,460,516</u>	<u>21,704,976</u>	<u>20,901,177</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	24	<u><u>3,606,464</u></u>	<u><u>0</u></u>	<u><u>1,691,093</u></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 2017

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.

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 1996* 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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

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

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

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. However, the increase is recognised in profit and loss to the extent that it reverses a revaluation decrease of the same asset class previously recognised in profit and loss. Decreases that offset previous increases of the same asset are recognised against 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.

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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.

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.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 1996* 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.

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.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

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.

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.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

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.

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.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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. However, AASB 123 allows a not-for profit public sector entity to recognise borrowing costs as an expense in the period in which it is incurred regardless of how the borrowings are applied.

(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.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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 2017

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 2019	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend 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. Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

Notes:

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

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 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

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

(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.

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

- (i) AASB 2015-6 Amendments to Australian

Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

[AASB 10, 124 & 1049]

The objective of this Standard was to extend the scope of AASB 124

Related Party Disclosures to include not-for-profit sector entities.

The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

2. REVENUE AND EXPENSES

	2017 \$	2016 \$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Auditors remuneration		
- Audit of the Annual Financial Report	27,056	44,359
- Other	13,834	6,490
	<u>40,890</u>	<u>50,849</u>
Depreciation		
Buildings - non-specialised	1,522,284	1,507,561
Furniture and equipment	430,635	293,642
Plant and equipment	1,092,163	836,288
Infrastructure - Roads	6,541,085	6,843,729
Infrastructure - Carparks, Footpaths & Bridges	1,005,221	866,575
Infrastructure - Drainage	1,120,882	941,210
Infrastructure - Recreation Areas	163,842	206,652
Infrastructure - Other	639,969	585,783
	<u>12,516,081</u>	<u>12,081,440</u>
Interest expenses (finance costs)		
Debentures (refer Note 22 (a))	156,172	207,202
	<u>156,172</u>	<u>207,202</u>
Rental charges		
- Operating leases	516,373	504,327
	<u>516,373</u>	<u>504,327</u>
(ii) Crediting as revenue:		
Other revenue		
Reimbursements and recoveries	1,297,159	998,392
Other	4,853	17,020
	<u>1,302,012</u>	<u>1,015,412</u>
	2017 Actual \$	2017 Budget \$
Interest earnings		2016 Actual \$
- Reserve funds	754,170	627,159
- Other funds	194,518	225,000
Other interest revenue (refer note 28)	310,921	292,927
	<u>1,259,609</u>	<u>1,082,159</u>
		<u>1,217,083</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

In order to discharge its responsibilities to the community, the Shire 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

Objective:

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

Objective:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

HEALTH

Objective:

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

EDUCATION AND WELFARE

Objective:

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

HOUSING

Objective:

Provision of staff housing.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

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

Objective:

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

TRANSPORT

Objective:

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

ECONOMIC SERVICES

Objective:

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

OTHER PROPERTY AND SERVICES

Objective:

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 2017

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance ⁽¹⁾ 30/06/16 \$	Received ⁽²⁾ 2016/17 \$	Expended ⁽³⁾ 2016/17 \$	Closing Balance 30/06/17 \$
Governance							
Don't Zoom in Broome Project Grant	2,096	0	0	2,096	0	0	2,096
EDL sponsorship and spent	293,827	9,472	(67,284)	236,035	6,726	(32,400)	210,361
DLGC National Youth Week Grant	247	0	0	247	0	0	247
Law, order, public safety							
FESA State Emergency Service & Volunteer Bush Fire Brigade Operational and Grant funding	17,093	0	0	17,093	0	0	17,093
Health							
Clean Up Aboriginal Communities Operational Grant	16,136	0	0	16,136	0	0	16,136
Department of Health - FIMMWA Mosquito Control Advisory Committee Funding for Mosquito control	3,540	38,029	(38,029)	3,540	21,304	(17,870)	6,974
Education and welfare							
Office of Crime Prevention Grant - Community Safety & Crime Prevention Plan & LGA Partnership Fund - Initiative Lighting Up Anne St Precinct	3,837	0	(5)	3,832	0	0	3,832
Department of Attorney-General - Hypertight Grant	2,500	0	0	2,500	0	0	2,500
Care of Families & Children Grants - Broome Iterants Strategy	9,507	0	0	9,507	0	0	9,507
Housing							
Key Worker Housing	555,842	0	(555,842)	0	0	0	0
Community amenities							
OTCAM Donation for Broome Cemetery Committee from Mollie Bean	150	0	0	150	0	0	150
Rangelands NRM Water Quality Monitoring Program - Protection of Environment	1,091	0	0	1,091	0	0	1,091
Landcorp Development Contributions Plan and Scheme Amendment	0	200,000	(48,019)	151,981	0	(89,605)	62,376
Department of Planning Coastal Hazard Risk Management and Adaption Plan	0	40,000	(9,427)	30,573	5,000	(35,573)	0
Recreation and culture							
Parks and Ovals Grants - Lions Club BBQ grant.	330	0	0	330	0	0	330
State Library of WA - Library Grant	5,680	28,824	(15,238)	19,266	28,784	(43,495)	4,555
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	4,250	50,000	(44,432)	9,818	40,000	(40,000)	9,818
Landcorp Development Contribution BRAC aquatic upgrade	0	1,035,000	(78,117)	956,883	0	(825,139)	131,744

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

2 REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance ⁽¹⁾ 30/06/16 \$	Received ⁽²⁾ 2016/17 \$	Expended ⁽³⁾ 2016/17 \$	Closing Balance 30/06/17 \$
Transport							
Road Maintenance - Office Native Title Morrell Park maintenance	271,074	0	(20,000)	251,074	0	(21,744)	229,330
Roads to Recovery Unspent Grant re Clementson St Upgrade Infra Stage 3	14,104	0	0	14,104	0	0	14,104
Roads to Recovery Unspent Grant re Unallocated	23,101	0	0	23,101	0	0	23,101
MRD Grant Remote Access Road Grant - (Broome - Cape Leveque Road)	1,006	0	0	1,006	0	0	1,006
Royalties for Regions Grant Lorikeet Drive	140,755	0	0	140,755	0	(140,755)	0
Street Lighting Const Grant Undergrnd Power CTown Upgrade	48	0	0	48	0	0	48
WALGA Grant Road Safety Activities	1,200	0	0	1,200	0	0	1,200
Frederick Street and Dampier St Connection - Urban New Infra	300,000	0	(300,000)	0	0	0	0
Sunderling Spoonbill Pedestrian Improvements - Upgrade Rd Const	21,333	0	(21,333)	0	0	0	0
Black Spot Federal - Hammersley Napier	0	0	0	0	451,484	(45,746)	405,738
Crab Creek Road - Water Corporation contribution	0	0	0	0	762,000	(632,103)	129,897
Economic services							
Tourism Grants - Visitors Center & Railway Line Project	50,000	0	0	50,000	0	0	50,000
Chinatown Revitalisation - Royalties for Regions	0	0	0	0	1,800,000	(1,141,102)	658,898
Chinatown Revitalisation - Tourism WA	0	0	0	0	133,000	0	133,000
Tourism WA - Black Waste Dump Point	0	0	0	0	58,000	(34,120)	23,880
Other property and services							
WA POLICE HEADQUARTERS Community Safety Grant - (New Visitor Centre Building Upgrade CCTV)	2,035	0	(2,035)	0	0	0	0
Rio Tinto Contribution Apprentice Incubation Programme	0	33,142	(15,923)	17,219	37,152	(33,021)	21,350
Total	1,779,082	1,434,467	(1,215,664)	1,997,885	3,343,450	(3,132,673)	2,208,662

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 \$1,998,301 of Unspent Grants held in Restricted Cash Reserve at 30 June 2017 (\$1,621,095 at 30 June 2016), and \$210,361 held in the EDL Reserve at 30 June 2017 (\$236,035 at 30 June 2016).

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		6,223,947	3,807,938
Restricted		31,382,437	28,994,858
		<u>37,606,384</u>	<u>32,802,796</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserves cash backed - Leave	12	1,392,788	1,445,633
Reserves cash backed - Building	12	4,225,522	3,775,847
Reserves cash backed - Public Open Space	12	1,484,517	860,010
Reserves cash backed - Drainage	12	1,538,939	1,620,493
Reserves cash backed - Plant	12	1,445,002	1,476,655
Reserves cash backed - BRAC (Leisure Centre)	12	52,962	51,495
Reserves cash backed - Road	12	2,466,645	2,222,495
Reserves cash backed - Footpath	12	2,124,387	2,231,163
Reserves cash backed - Car Park	12	472,478	459,387
Reserves cash backed - IT & Equipment	12	365,711	312,797
Reserves cash backed - Refuse Site	12	3,531,100	4,175,520
Reserves cash backed - Resource Recovery Park	12	9,637,910	7,216,863
Reserves cash backed - Restricted Cash	12	2,033,575	2,534,220
Reserves cash backed - Community Sponsorship	12	61,986	45,287
Reserves cash backed - EDL	12	210,360	236,034
Reserves cash backed - Kimberley Zone	12	180,039	176,835
Reserves cash backed - Public Art	12	158,516	154,124
		<u>31,382,437</u>	<u>28,994,858</u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		1,004,623	986,605
Sundry debtors		525,385	1,439,426
GST receivable		185,579	363,160
Bonds and Deposits held by others		42,498	43,949
Other current Receivables		100,490	71,086
Allowance for impairment - rates		(99,881)	(133,981)
Allowance for impairment - sundry debtors		(25,805)	(2,308)
		<u>1,732,889</u>	<u>2,767,937</u>
Non-current			
Rates outstanding - pensioners		17,061	17,498
		<u>17,061</u>	<u>17,498</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

	2017 \$	2016 \$
4. TRADE AND OTHER RECEIVABLES (continued)		
Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:		
Rates outstanding	1,004,623	986,605
Includes:		
Past due and not impaired	904,742	852,624
Impaired	99,881	133,981
Sundry debtors	525,385	1,439,426
Includes:		
Current	476,686	476,292
Past due and not impaired	22,894	960,826
Impaired	25,805	2,308
5. INVENTORIES		
Current		
Fuel and materials	29,614	22,607
BRAC Stock	7,031	2,767
	36,645	25,374
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land at:		
- Independent valuation 2014 - level 3	0	5,820,000
- Independent valuation 2017 - level 3	2,680,000	0
- Additions after valuation - cost	0	256,247
	2,680,000	6,076,247
Land - vested in and under the control of Council at:		
- Cost	16,076,532	16,076,532
	16,076,532	16,076,532
	18,756,532	22,152,779

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

	2017 \$	2016 \$
6 (a). PROPERTY, PLANT AND EQUIPMENT (continued)		
Buildings - non-specialised at:		
- Independent valuation 2014 - level 3	0	59,724,538
- Independent valuation 2017 - level 3	59,693,769	0
- Additions after valuation - cost	0	1,214,815
Buildings - non-specialised - Less: accumulated depreciation	0	(3,044,508)
	<u>59,693,769</u>	<u>57,894,845</u>
	<u>59,693,769</u>	<u>57,894,845</u>
Total land and buildings	<u>78,450,301</u>	<u>80,047,624</u>
Furniture and equipment at:		
- Management valuation 2015 - level 3	0	847,395
- Management valuation 2017 - level 3	792,760	0
- Additions after valuation - cost	0	477,724
Furniture and equipment - Less: accumulated depreciation	0	(293,642)
	<u>792,760</u>	<u>1,031,477</u>
Plant and equipment at:		
- Management valuation 2016 - level 2	7,131,265	7,131,265
- Additions after valuation - cost	4,575,975	0
- Disposals after valuation - cost	(927,297)	0
Plant and equipment - Less: accumulated depreciation	(975,165)	0
	<u>9,804,778</u>	<u>7,131,265</u>
Work in Progress - Land & Buildings at:		
- Cost	<u>192,224</u>	<u>590,968</u>
	192,224	590,968
Work in Progress - Plant & Equipment at:		
- Cost	<u>0</u>	<u>78,117</u>
	0	78,117
Work in Progress - Furniture & Equipment at:		
- Cost	<u>125,170</u>	<u>0</u>
	125,170	0
	<u>89,365,233</u>	<u>88,879,451</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 2017

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) to Transferred Revaluation	Revaluation (Losses)/ Reversals Through Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Reclassifications	Carrying Amount at the End of Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	6,076,247	0	0	(3,396,247)	0	0	0	0	0	2,680,000
Land - vested in and under the control of Council	16,076,532	0	0	(3,396,247)	0	0	0	0	0	16,076,532
Total land	22,152,779	0	0	(3,396,247)	0	0	0	0	0	18,756,532
Buildings - non-specialised	57,894,845	777,560	0	2,557,778	0	0	(1,522,284)	200,755	(214,885)	59,693,769
Total buildings	57,894,845	777,560	0	2,557,778	0	0	(1,522,284)	200,755	(214,885)	59,693,769
Total land and buildings	80,047,624	777,560	0	(838,469)	0	0	(1,522,284)	200,755	(214,885)	78,450,301
Furniture and equipment	1,031,477	430,478	0	(238,560)	0	0	(430,635)	0	0	792,760
Plant and equipment	7,131,285	4,614,857	(927,297)	0	0	0	(1,092,163)	78,117	0	9,804,778
Work in Progress - Land & Buildings	590,968	1,734	(199,723)	0	0	0	0	(200,755)	0	192,224
Work in Progress - Plant & Equipment	78,117	0	0	0	0	0	0	(78,117)	0	0
Work in Progress - Furniture & Equipment	0	125,170	0	0	0	0	0	0	0	125,170
Total property, plant and equipment	88,879,451	5,949,799	(1,127,020)	(1,077,029)	0	0	(3,045,082)	0	(214,885)	89,365,233

During the year \$199,723 of Works in Progress - Land & Buildings was derecognised. The amount relates to expenditure incurred on a discontinued project which was previously capitalised.

During the year, two assets that were previously listed as buildings, were reclassified to Infrastructure - Other.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

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 at:					
Land - freehold land	3	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2017	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 2017	At cost
Buildings - non-specialised	3	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2017	Sales comparisons per lettable area (level 2 inputs), depreciated replacement cost per unit area and estimated useful life (Level 3 inputs)
Buildings - specialised					
Furniture and equipment	3	Market approach using recent observable market data for similar assets	Management valuation	June 2017	Market price per item, adjusted for condition and comparability
Plant and equipment					
- 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 2017

	2017 \$	2016 \$
7 (a). INFRASTRUCTURE		
Infrastructure - Roads at:		
- Management valuation 2015 - level 3	323,849,950	323,849,950
- Additions after valuation - cost	8,928,264	6,425,961
Infrastructure - Roads - Less: accumulated depreciation	<u>(105,736,012)</u>	<u>(99,194,928)</u>
	227,042,202	231,080,983
Infrastructure - Carpark, Footpaths & Bridges at:		
- Management valuation 2015 - level 3	48,127,680	48,127,680
- Additions after valuation - cost	1,447,158	1,114,680
Infrastructure - Carpark, Footpaths & Bridges - Less: accumulated depreciation	<u>(20,276,816)</u>	<u>(19,271,595)</u>
	29,298,022	29,970,765
Infrastructure - Drainage at:		
- Management valuation 2015 - level 3	65,843,215	65,843,215
- Additions after valuation - cost	1,546,751	1,408,374
Infrastructure - Drainage - Less: accumulated depreciation	<u>(27,106,701)</u>	<u>(25,985,819)</u>
	40,283,265	41,265,770
Infrastructure - Recreation Areas at:		
- Management valuation 2015 - level 3	3,883,913	3,883,913
- Additions after valuation - cost	1,448,164	1,342,931
Infrastructure - Recreation Areas - Less: accumulated depreciation	<u>(2,767,023)</u>	<u>(2,603,181)</u>
	2,565,054	2,623,663
Infrastructure - Other at:		
- Management valuation 2015 - level 3	5,869,936	5,869,936
- Additions after valuation - cost	1,599,799	807,058
Infrastructure - Other - Less: accumulated depreciation	<u>(4,445,736)</u>	<u>(3,793,873)</u>
	3,023,999	2,883,121
Work in Progress - Roads, F/Path & Bridges at:		
- Cost	<u>930,621</u>	<u>19,487</u>
	930,621	19,487
Work in Progress - Other Infrastructure at:		
- Cost	<u>982,904</u>	<u>825,545</u>
	982,904	825,545
	<u>304,126,067</u>	<u>308,669,334</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 2017

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	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Reclassifications	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	231,080,983	2,502,303	0	0	0	0	(6,541,085)	0	0	227,042,202
Infrastructure - Carparks, Footpaths & Bridges	29,970,765	314,353	0	0	0	0	(1,005,221)	18,125	0	29,298,022
Infrastructure - Drainage	41,265,770	138,377	0	0	0	0	(1,120,882)	0	0	40,283,265
Infrastructure - Recreation Areas	2,623,663	105,233	0	0	0	0	(163,842)	0	0	2,565,054
Infrastructure - Other	2,883,121	484,845	0	0	0	0	(639,969)	81,117	214,885	3,023,999
Work in Progress - Roads, F/Path & Bridges	19,487	929,259	0	0	0	0	0	(18,125)	0	930,621
Work in Progress - Other Infrastructure	825,545	241,336	(2,860)	0	0	0	0	(81,117)	0	982,904
Total Infrastructure	305,669,334	4,715,706	(2,860)	0	0	0	(9,470,999)	0	214,885	304,126,067

During the year \$2,860 of Works in Progress - Other Infrastructure was derecognised. The amount relates to expenditure incurred on a discontinued project which was previously capitalised.

During the year, two assets that were previously listed as buildings, were reclassified to Infrastructure - Other.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

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 2017

	2017 \$	2016 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	2,421,490	2,979,535
Accrued interest on debentures	3,875	7,968
Accrued salaries and wages	421,666	499,031
ATO liabilities	31,864	45,021
Excess Rates	199,608	181,158
Prepaid Rent, Grants and Services	162,440	33,182
Accrued Expenses	513,119	399,905
	<u>3,754,062</u>	<u>4,145,800</u>

9. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Debentures	592,743	868,715
	<u>592,743</u>	<u>868,715</u>
Non-current		
Secured by floating charge		
Debentures	2,319,237	2,911,981
	<u>2,319,237</u>	<u>2,911,981</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 2016			
Current provisions	1,289,376	920,614	2,209,990
Non-current provisions	0	301,357	301,357
	<u>1,289,376</u>	<u>1,221,971</u>	<u>2,511,347</u>
Additional provision	24,348	(46,090)	(21,742)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	0	(15,570)	(15,570)
Balance at 30 June 2017	<u>1,313,724</u>	<u>1,160,311</u>	<u>2,474,035</u>
Comprises			
Current	1,313,724	712,020	2,025,744
Non-current	0	448,291	448,291
	<u>1,313,724</u>	<u>1,160,311</u>	<u>2,474,035</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

12. RESERVES - CASH BACKED

	Actual 2017 Opening Balance	Actual 2017 Transfer to Closing Balance	Actual 2017 Transfer (from)	Actual 2017 Closing Balance	Budget 2017 Opening Balance	Budget 2017 Transfer to Closing Balance	Budget 2017 Transfer (from)	Budget 2017 Closing Balance	Actual 2016 Opening Balance	Actual 2016 Transfer to Closing Balance	Actual 2016 Transfer (from)	Actual 2016 Closing Balance
Reserves cash backed - Leave	1,445,633	297,635	(350,480)	1,392,788	1,749,519	54,420	(217,269)	1,586,670	1,789,986	113,139	(457,492)	1,445,633
Reserves cash backed - Building	3,775,847	613,022	(163,347)	4,225,522	4,176,135	156,614	(2,577,207)	1,755,542	2,922,793	1,128,576	(275,522)	3,775,847
Reserves cash backed - Public Open Space	860,010	624,507	0	1,484,517	854,413	622,392	0	1,476,805	731,954	128,056	0	860,010
Reserves cash backed - Drainage	1,620,493	50,591	(132,145)	1,538,939	1,612,296	47,971	(135,000)	1,525,267	1,637,697	52,796	(70,000)	1,620,493
Reserves cash backed - Plant	1,476,655	280,659	(312,312)	1,445,002	1,472,873	37,988	(200,000)	1,310,861	1,047,874	428,781	0	1,476,655
Reserves cash backed - BRAC (Leisure Centre)	51,495	1,467	0	52,962	51,087	1,517	(50,717)	1,887	49,887	1,608	0	51,495
Reserves cash backed - Road	2,222,495	305,733	(61,583)	2,466,645	2,572,280	49,170	(49,349)	2,572,101	1,616,575	902,128	(296,208)	2,222,495
Reserves cash backed - Footpath	2,231,163	95,431	(202,207)	2,124,387	2,191,201	64,825	(196,005)	2,060,021	2,450,843	79,010	(298,690)	2,231,163
Reserves cash backed - Car Park	459,387	13,091	0	472,478	456,340	13,615	0	469,955	445,040	14,347	0	459,387
Reserves cash backed - IT & Equipment	312,797	52,914	0	365,711	311,528	53,270	0	364,798	303,028	9,769	0	312,797
Reserves cash backed - Refuse Site	4,175,520	118,987	(763,407)	3,531,100	3,904,926	123,277	(1,147,342)	2,880,861	4,053,026	130,660	(8,166)	4,175,520
Reserves cash backed - Resource Recovery Park	7,216,863	2,670,162	(249,115)	9,637,910	7,053,920	3,092,279	(400,000)	9,746,199	4,243,919	3,157,994	(185,050)	7,216,863
Reserves cash backed - Restricted Cash	2,534,220	1,367,073	(1,867,718)	2,033,575	2,380,059	0	(1,957,516)	422,543	3,254,336	1,175,809	(1,895,925)	2,534,220
Reserves cash backed - Community Sponsorship	45,287	16,699	0	61,986	30,794	918	0	31,712	30,193	15,094	0	45,287
Reserves cash backed - EDL	236,034	6,726	(32,400)	210,360	234,062	6,628	(80,000)	160,690	293,826	9,472	(67,264)	236,034
Reserves cash backed - Kimberley Zone	176,835	5,039	(1,835)	180,039	175,000	0	0	175,000	670,331	3,894	(497,390)	176,835
Reserves cash backed - Public Art	154,124	4,392	0	158,516	154,155	4,564	(70,000)	88,719	154,155	4,969	(5,000)	154,124
	28,994,858	6,524,128	(4,136,549)	31,382,437	29,380,589	4,329,448	(7,080,405)	26,629,632	25,695,463	7,356,102	(4,056,707)	28,994,858

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 2017

12. RESERVES - CASH BACKED

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

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

13. REVALUATION SURPLUS

	2017				2017				2016			
	Opening	Revaluation	Revaluation	Revaluation	Opening	Revaluation	Revaluation	Revaluation	Opening	Revaluation	Revaluation	Closing
	Balance	Increment	(Decrement)	Movement on	Balance	Increment	(Decrement)	Movement on	Balance	(Decrement)	Revaluation	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	35,691,909	0	(838,469)	(838,469)	34,853,440	0	0	0	35,691,909	0	0	35,691,909
Revaluation surplus - Furniture and equipment	439,874	0	(238,560)	(238,560)	201,314	0	0	0	439,874	0	0	439,874
Revaluation surplus - Plant and equipment	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation surplus - Infrastructure - Roads	180,313,246	0	0	0	180,313,246	0	0	0	180,313,246	0	0	180,313,246
Revaluation surplus - Infrastructure - Carparks, Footpaths & Bridges	22,251,434	0	0	0	22,251,434	0	0	0	22,251,434	0	0	22,251,434
Revaluation surplus - Infrastructure - Drainage	34,087,407	0	0	0	34,087,407	0	0	0	34,087,407	0	0	34,087,407
Revaluation surplus - Infrastructure - Recreation Areas	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation surplus - Infrastructure - Other	269,446	0	(1,077,029)	(1,077,029)	269,446	0	0	0	269,446	0	0	269,446
	273,053,316	0	(1,077,029)	(1,077,029)	271,976,287	0	0	0	273,053,316	0	0	273,053,316

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

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:

	2017 \$	2017 Budget \$	2016 \$
Cash and cash equivalents	<u>37,606,384</u>	<u>27,359,571</u>	<u>32,802,796</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	2,096,684	6,374,988	(63,126)
Non-cash flows in Net result:			
Depreciation	12,516,081	7,506,341	12,081,440
(Profit)/Loss on sale of asset	598,800	100,784	58,556
Loss on revaluation of fixed assets	0		(325,066)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	1,035,485	150,000	(326,641)
(Increase)/Decrease in inventories	(11,271)	0	3,186
Increase/(Decrease) in payables	(391,738)	0	1,473,505
Increase/(Decrease) in provisions	(37,312)	0	337,763
Grants contributions for the development of assets	<u>(6,053,541)</u>	<u>(6,858,963)</u>	<u>(4,770,198)</u>
Net cash from operating activities	<u>9,753,188</u>	<u>7,273,150</u>	<u>8,469,419</u>
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements	2017 \$		2016 \$
Bank overdraft limit	700,000		700,000
Bank overdraft at balance date	0		0
Credit card limit	25,000		25,000
Credit card balance at balance date	0		(1,728)
Total amount of credit unused	<u>725,000</u>		<u>723,272</u>
Loan facilities			
Loan facilities - current	592,743		868,715
Loan facilities - non-current	<u>2,319,237</u>		<u>2,911,981</u>
Total facilities in use at balance date	<u>2,911,980</u>		<u>3,780,696</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 2017

15. CONTINGENT LIABILITIES

	2017 \$	2016 \$
Shinju Matsuri Loan/Overdraft Guarantee	0	15,000
	<u>0</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	343,678	216,613
- later than one year but not later than five years	23,689	0
- later than five years	0	0
	<u>367,367</u>	<u>216,613</u>

(b) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects	199,410	3,028,607
- plant & equipment purchases	25,140	241,093

Payable:

- not later than one year	199,410	856,586
---------------------------	---------	---------

30 June 2017

Other Plant and Equipment

BRAC Aquatic Upgrade

IT

State CCTV Project

Software Development - Magiq

Infrastructure - Roads

Hamersley - Napier St

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

17. JOINT VENTURE ARRANGEMENTS

The Shire is not involved in any joint venture arrangements.

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2017 \$	2016 \$
Governance	9,196,387	412,869
General purpose funding	390,399	7,212,279
Law, order, public safety	590,838	791,753
Health	12,184	14,749
Housing	2,962,498	3,648,734
Community amenities	57,467,507	56,244,312
Recreation and culture	36,117,403	37,699,329
Transport	263,073,055	267,152,269
Economic services	7,945,884	9,084,132
Other property and services	38,264,569	32,954,063
Unallocated	16,863,555	17,947,901
	<u>432,884,279</u>	<u>433,162,390</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

	2017	2016	2015
19. FINANCIAL RATIOS			
Current ratio	1.61	1.14	1.65
Asset sustainability ratio	0.66	0.29	0.50
Debt service cover ratio	8.50	5.97	6.59
Operating surplus ratio	(0.12)	(0.14)	(0.11)
Own source revenue coverage ratio	0.78	0.81	0.82

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset 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 61 of this document.

Three of the 2017 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grant in June 2017.

The early payment of the grant increased operating revenue in 2017 by \$1,485,897.

Three of the 2016 and 2015 ratios disclosed above were 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.

If recognised in the year to which the allocation related, the calculations in the 2017, 2016 and 2015 columns above would be as follows:

	2017	2016	2015
Current ratio	1.31	1.14	1.26
Debt service cover ratio	7.05	7.21	5.63
Operating surplus ratio	(0.16)	(0.10)	(0.16)

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

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 2016 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2017 \$
Footpath Damage Deposits	32,276	0	0	32,276
Library Transient Borrower Deposits	2,910	(168)	(2,673)	69
Civic Centre Takings	0	3,654	0	3,654
Other General Purpose Deposits	8,493	0	0	8,493
BCITF Collection & Refund Deposits	5,710	36,840	(36,018)	6,532
Town Planning Related Bond Deposits	106,207	0	0	106,207
Cemetery Plot Reservation Deposits	29,046	4,550	0	33,596
Recreation Facility use Bond Deposits	22,250	81,640	(70,965)	32,925
Road & Footpath Facilities Bond Deposits	506,946	0	0	506,946
Capital Works Bond Deposits	3,060	0	0	3,060
Cash In Lieu Of Public Open Space	99,876	0	0	99,876
Bank Guarantee Deposits Received	16,431	0	0	16,431
BRB Levy	7,832	44,411	(46,295)	5,948
Unclaimed Monies	21,299	652	(2,428)	19,523
Staff Rental Bonds	25,406	39,175	(24,467)	40,114
Key Deposits	2,020	525	0	2,545
Chinatown Revitalisation DRD Grant	11,000,512	148,897	(1,980,000)	9,169,409
	<u>11,890,274</u>	<u>360,176</u>	<u>(2,162,846)</u>	<u>10,087,604</u>

21. DISPOSALS OF ASSETS - 2016/17 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								
Governance	71,101	60,727	0	(10,374)	50,105	64,000	13,895	0
Law, order, public safety	587	12,486	11,899	0	0	0	0	0
Health	9,411	7,273	0	(2,138)	10,270	8,000	0	(2,270)
Community amenities	157,789	43,636	0	(114,153)	116,672	83,000	359	(34,031)
Recreation and culture	23,140	31,424	12,262	(3,978)	12,199	13,000	801	0
Other property and services	665,269	375,534	10,769	(300,504)	412,538	333,000	11,185	(90,723)
	<u>927,297</u>	<u>531,080</u>	<u>34,930</u>	<u>(431,147)</u>	<u>601,784</u>	<u>501,000</u>	<u>26,240</u>	<u>(127,024)</u>
Land & Buildings								
Other property and services	0	0	0	(199,723)	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>(199,723)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Infrastructure								
Economic services	0	0	0	(2,860)	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,860)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>927,297</u>	<u>531,080</u>	<u>34,930</u>	<u>(633,730)</u>	<u>601,784</u>	<u>501,000</u>	<u>26,240</u>	<u>(127,024)</u>

During the year, \$202,583 of Land and Buildings and Other Infrastructure Works in Progress was derecognised. The amount relates to expenditure incurred on discontinued projects which were previously capitalised.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2016 \$	New Loans \$	Principal Repayments		Principal 30 June 2017		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Recreation and culture								
BRAC (Recreation Centre) Stage 1	107,977	0	107,977	107,976	0	0	5,257	5,455
BRAC Stage 2A	156,539	0	156,539	156,540	0	0	4,875	7,364
BRAC Stage 2B (Car Park & Oval Completion) 191	171,375	0	53,561	53,561	117,814	117,814	10,112	10,141
Civic Centre Redevelopment 193	2,764,383	0	416,879	416,878	2,347,504	2,347,505	104,936	105,117
BRAC Pavillion 194	543,113	0	96,451	96,451	446,662	446,662	29,830	30,434
BRAC Aquatic Upgrade	0	0	0	8,899	0	8,899	0	3,264
Economic services								
Visitor Centre Stage 2	37,309	0	37,309	37,309	0	0	1,162	1,755
Other property and services								
KRO Building New Construction	0	0	0	94,869	0	94,869	0	34,807
KRO Building - Office Fitout	0	0	0	0	0	0	0	0
	3,780,696	0	868,716	972,483	2,911,980	3,015,749	156,172	198,337

Three new loans were budgeted for 2016-17: BRAC Aquatic Upgrade, KRO Building New Construction and KRO Building - Office Fitout. None of the new loans were required. 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 2017

22. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

The Shire did not take up any new debentures during the year ended 30 June 2017.

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1 July 16	Borrowed		Expended		Balance 30 June 17
			Year	\$	Year	\$	
Loan # 193 Arts Centre Redevelopment	Jun 2012	913,125	0	(877,850)			35,275
		913,125	0	(877,850)			35,275

(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 undeposited 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.

The Shire holds three Corporate Credit Cards with maximum limits of \$5,000, \$5,000 and \$15,000 respectively, 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 2017

23. RATING INFORMATION - 2016/17 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	9.5870	4,686	118,662,862	11,330,354	108,273	8,192	11,446,819	11,351,967	125,000	50,000	11,526,967
GRV - Residential - Vacant	15.5200	185	2,407,650	326,821	35,858	(5,465)	357,214	386,076	0	0	386,076
GRV - Commercial	10.5800	578	53,480,474	5,700,927	(27,701)	5,398	5,678,624	5,675,344	0	0	5,675,344
GRV - Tourism	14.7150	418	16,211,460	2,385,517	(1,803)	0	2,383,714	2,385,516	0	0	2,385,516
GRV - Exempt	0.0000	818	3,443,473	0	0	(2,020)	(2,020)	0	0	0	0
Unimproved value valuations											
UV - Rural	0.5953	139	77,719,000	435,434	(10,326)	(18,496)	406,612	460,131	0	0	460,131
UV - Mining	12.1150	33	1,421,556	172,222	(33,906)	13,386	151,702	184,384	0	0	184,384
UV - Commercial Rural	3.0250	32	8,625,533	260,922	204	(2,566)	258,560	307,296	0	0	307,296
Sub-Total		6,889	281,972,008	20,612,197	70,599	(1,571)	20,681,225	20,750,714	125,000	50,000	20,925,714
Minimum payment											
Gross rental value valuations											
GRV - Residential	1,220	113	2,884,700	137,860	0	0	137,860	79,300	0	0	79,300
GRV - Residential - Vacant	1,220	172	1,176,185	209,840	0	0	209,840	268,400	0	0	268,400
GRV - Commercial	1,220	13	699,724	15,860	0	0	15,860	15,860	0	0	15,860
GRV - Tourism	1,220	412	1,879,540	502,640	0	0	502,640	502,640	0	0	502,640
Unimproved value valuations											
UV - Rural	1,220	6	530,300	7,320	0	0	7,320	7,320	0	0	7,320
UV - Mining	1,220	38	(457,259)	46,360	0	0	46,360	46,360	0	0	46,360
UV - Commercial Rural	1,220	13	82,540	15,860	0	0	15,860	15,860	0	0	15,860
Sub-Total		767	6,795,730	935,740	0	0	935,740	935,740	0	0	935,740
Discounts/concessions (refer note 27)		7,656	288,767,738	21,547,937	70,599	(1,571)	21,616,965	21,686,454	125,000	50,000	21,861,454
Total amount raised from general rate							(156,449)				(156,478)
Totals							21,460,516				21,704,976
							21,460,516				21,704,976

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

24. NET CURRENT ASSETS

Composition of net current assets

	2017	2017	2016
	(30 June 2017	(1 July 2016	(30 June 2016
	Carried	Brought	Carried
	Forward)	Forward)	Forward)
	\$	\$	\$
Surplus/(Deficit) 1 July 16 brought forward	3,606,464	1,691,093	1,691,093
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	6,223,947	3,807,938	3,807,938
Restricted	31,382,437	28,994,858	28,994,858
Receivables			
Rates outstanding	904,743	852,625	852,625
Sundry debtors	499,580	1,437,118	1,437,118
GST receivable	185,579	363,160	363,160
Bonds and Deposits held by others	42,498	43,949	43,949
Other current Receivables	100,490	71,086	71,086
Inventories			
Fuel and materials	29,614	22,607	22,607
BRAC Stock	7,031	2,767	2,767
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(2,421,490)	(2,979,535)	(2,979,535)
Accrued interest on debentures	(3,875)	(7,968)	(7,968)
Accrued salaries and wages	(421,666)	(499,031)	(499,031)
ATO liabilities	(31,864)	(45,021)	(45,021)
Excess Rates	(199,608)	(181,158)	(181,158)
Prepaid Rent, Grants and Services	(162,440)	(33,182)	(33,182)
Accrued Expenses	(513,119)	(399,905)	(399,905)
Current portion of long term borrowings			
Secured by floating charge	(592,743)	(868,715)	(868,715)
Provisions			
Provision for annual leave	(1,313,724)	(1,289,376)	(1,289,376)
Provision for long service leave	(712,020)	(920,614)	(920,614)
Unadjusted net current assets	33,003,370	28,371,603	28,371,603
Adjustments			
Less: Reserves - restricted cash	(31,382,437)	(28,994,858)	(28,994,858)
Less: Leave Liability not expected to be paid within 12 months	1,392,788	1,445,633	1,445,633
Add: Secured by floating charge	592,743	868,715	868,715
Adjusted net current assets - surplus/(deficit)	3,606,464	1,691,093	1,691,093

Difference

There was no difference between the surplus/(deficit) 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2016 audited financial report.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

25. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

No specified area rates were imposed by the Shire during the year ended 2017.

26. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

No service charges were imposed by the Shire during the year ended 2017.

27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2016/17 FINANCIAL YEAR

Rates Discounts		Discount %	Discount \$	Actual \$	Budget \$	Circumstances in which Discount is Granted
Rate or Fee Discount Granted						
General Rates		Nil	Nil	0	0	0
Minimum Rate		Nil	Nil	0	0	0
Waivers or Concessions				0	0	0
Rate or Fee and Charge to which the Waiver or Concession is Granted		Type	Discount %	Discount \$	Actual \$	Budget \$
General Rates		Concession	48%		107,277	107,294
General Rates		Concession	27%		46,905	46,914
General Rates		Concession	11%		2,267	2,270
					156,449	156,478
Other Waivers						
Penalty Interest		Write Offs		(8,808)		2,000

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2016/17 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 of the Waiver or Concession	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.	

For the Year Ended 30 June 2017

Instalment Options					
Option One		\$	%	%	Budgeted Revenue
Single full payment				11.00%	\$
Option Two					
First Instalment		23 August 16			130,000
Second Instalment		23 August 16 25 October 16	7	5.50%	100,000
Option Three					40,000
First Instalment		23 August 16			0
Second Instalment		25 October 16	7	5.50%	1,000
Third Instalment		10 January 17	7		
Fourth Instalment		14 March 17	7		271,000
Interest on unpaid rates					
Interest on instalment plan					
Charges on instalment plan					
Debt clearance letter					
Payment arrangement fee					

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

29. FEES & CHARGES	2017	2016
	\$	\$
Governance	0	90
General purpose funding	71,125	72,966
Law, order, public safety	103,429	106,584
Health	145,915	149,304
Housing	562,450	482,988
Community amenities	6,926,028	6,983,333
Recreation and culture	842,402	958,120
Transport	17,638	39,571
Economic services	624,696	719,320
Other property and services	964,649	1,341,312
	<u>10,258,332</u>	<u>10,853,588</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:

	2017	2016
	\$	\$
By Nature or Type:		
Operating grants, subsidies and contributions		
Governance	35,198	237,500
General purpose funding	2,939,907	886,669
Law, order, public safety	0	(2,162)
Health	22,172	38,852
Education and welfare	54,415	33,636
Community amenities	37,959	376,363
Recreation and culture	272,671	198,330
Transport	1,575,936	971,984
Economic services	633,000	0
Other property and services	77,397	118,505
	<u>5,648,655</u>	<u>2,859,677</u>
Non-operating grants, subsidies and contributions		
Law, order, public safety	60,157	0
Community amenities	4,413	111,200
Recreation and culture	1,420,943	1,497,500
Transport	3,084,858	3,161,498
Economic services	1,358,000	0
Other property and services	125,170	0
	<u>6,053,541</u>	<u>4,770,198</u>
	<u>11,702,196</u>	<u>7,629,875</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

	2017 \$	2016 \$
31. EMPLOYEE NUMBERS		
The number of full-time equivalent employees at balance date	131	131

	2017 \$	2017 Budget \$	2016 \$
32. ELECTED MEMBERS REMUNERATION			
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	161,130	161,130	153,715
President's allowance	47,045	47,045	46,350
Deputy President's allowance	11,761	11,761	11,587
Travelling expenses	23,320	58,450	11,237
Telecommunications allowance	31,500	31,500	30,899
	274,756	309,886	253,788

33. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2017 \$
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	900,958
Post-employment benefits	102,768
Other long-term benefits	14,667
Termination benefits	112,551
	1,130,944

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 32.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

33. RELATED PARTY TRANSACTIONS (Continued)

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Entities subject to significant influence by the Shire

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

Transactions with related parties

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

The following transactions occurred with related parties:

Associated companies/individuals:

Sale of goods and services	2017 \$ (175,050)
Purchase of goods and services	6,139

Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

34. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2016/2017 financial year.

35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2016/2017 financial year.

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

36. 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	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	37,606,384	32,802,796	37,606,384	32,802,796
Receivables	1,749,950	2,785,435	1,749,950	2,785,435
	<u>39,356,334</u>	<u>35,588,231</u>	<u>39,356,334</u>	<u>35,588,231</u>
Financial liabilities				
Payables	3,754,062	4,145,800	3,754,062	4,145,800
Borrowings	2,911,980	3,780,696	2,911,980	3,780,696
	<u>6,666,042</u>	<u>7,926,496</u>	<u>6,666,042</u>	<u>7,926,496</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 2017

36. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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.

	2017 \$	2016 \$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	376,064	328,028
- Statement of Comprehensive Income	376,064	328,028

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 2017

36. 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.

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.

Repayment terms are renegotiated with debtors from time to time on a case by case basis. As at reporting date, there is one material receivable that has been subject to a re-negotiation of repayment terms.

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

	2017	2016
Percentage of rates and annual charges		
- Current	0.4%	1.9%
- Overdue	99.6%	98.1%
Percentage of other receivables		
- Current	97.2%	83.4%
- Overdue	2.8%	16.6%

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

36. 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>2017</u>					
Payables	3,754,062	0	0	3,754,062	3,754,062
Borrowings	712,581	2,532,336	0	3,244,918	2,911,980
	<u>4,466,643</u>	<u>2,532,336</u>	<u>0</u>	<u>6,998,980</u>	<u>6,666,042</u>
<u>2016</u>					
Payables	4,145,800	0	0	4,145,800	4,145,800
Borrowings	1,028,980	2,722,923	521,995	4,273,898	3,780,696
	<u>5,174,780</u>	<u>2,722,923</u>	<u>521,995</u>	<u>8,419,698</u>	<u>7,926,496</u>

Notes to and Forming Part of the Financial Report

For the Year Ended 30 June 2017

36. 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 2017								
Borrowings								
Fixed rate								
Debentures	0	117,814	0	446,662	2,347,504	0	2,911,980	4.34%
Weighted average Effective interest rate	0.00%	6.41%	0.00%	5.86%	3.95%	0.00%		
Year ended 30 June 2016								
Borrowings								
Fixed rate								
Debentures	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%		

Independent Audit Report

MOORE STEPHENS

Level 15, Exchange Tower
2 The Esplanade, Perth, WA 6000

PO Box 5785, St Georges Terrace, WA 6831

T +61 (0)8 9225 5355
F +61 (0)8 9225 6181

www.moorestephenswa.com.au

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

Opinion on the Audit of the Financial Report

We have audited the accompanying financial report of the Shire of Broome (the Shire), which comprises the statement of financial position as at 30 June 2017, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

In our opinion, the financial report of the Shire of Broome 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 2017 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)

Basis for Opinion

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

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 5 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 Rate Information presented at page 61 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.

Independent Audit Report

MOORE STEPHENS

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Shire's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of this 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.

In preparing the financial report, management is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Shire or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Shire's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



DAVID T. MASLI
PARTNER

Date: 3 October 2017
Perth, WA

Supplementary Ratio Information

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.

	2017	2016	2015
Asset consumption ratio	0.71	0.72	0.74
Asset renewal funding ratio	1.17	1.67	0.53

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	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

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

Email: shire@broome.wa.gov.au

Telephone: **08 9191 3456**

Fax: **08 9191 3455**

