



**ANNUAL BUDGET  
FOR THE YEAR ENDED 30 JUNE 2023**

**SHIRE OF BROOME**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**LOCAL GOVERNMENT ACT 1995**

**TABLE OF CONTENTS**

Statement of Comprehensive Income by Nature or Type	2
Statement of Cash Flows	3
Rate Setting Statement	4
Index of Notes to the Budget	5

**SHIRE'S VISION**

Broome - a future, for everyone

**SHIRE OF BROOME**  
**STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	2(a)	25,001,626	23,902,635	23,992,547
Operating grants, subsidies and contributions	10	1,688,116	3,453,757	1,943,852
Fees and charges	15	11,607,813	9,545,910	12,078,532
Interest earnings	11(a)	436,559	309,195	335,984
Other revenue	11(a)	1,337,814	981,103	1,182,519
		40,071,928	38,192,600	39,533,434
<b>Expenses</b>				
Employee costs		(16,323,913)	(16,210,827)	(17,141,230)
Materials and contracts		(11,301,459)	(9,029,538)	(10,467,153)
Utility charges		(2,151,708)	(2,160,263)	(2,144,443)
Depreciation on non-current assets	6	(18,142,152)	(13,220,318)	(12,629,134)
Interest expenses	11(c)	(202,898)	(120,908)	(122,688)
Insurance expenses		(785,277)	(720,985)	(768,853)
Other expenditure		(2,208,463)	(1,791,885)	(2,196,837)
		(51,115,870)	(43,254,724)	(45,470,338)
		(11,043,942)	(5,062,124)	(5,936,904)
Non-operating grants, subsidies and contributions	10	12,633,743	6,322,463	8,226,226
Profit on asset disposals	5(b)	202,995	22,367	100,568
Loss on asset disposals	5(b)	(254,543)	(48,227)	(165,955)
		12,582,195	6,296,603	8,160,839
<b>Net result for the period</b>		<b>1,538,253</b>	<b>1,234,479</b>	<b>2,223,935</b>
<b>Total comprehensive income for the period</b>		<b>1,538,253</b>	<b>1,234,479</b>	<b>2,223,935</b>

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

**SHIRE OF BROOME**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		25,037,513	24,055,514	23,992,547
Operating grants, subsidies and contributions		2,906,510	330,073	1,943,852
Fees and charges		11,607,813	9,545,910	12,078,532
Interest received		436,559	309,195	335,984
Goods and services tax received		0	477,007	0
Other revenue		1,337,814	981,103	1,182,519
		41,326,209	35,698,802	39,533,434
<b>Payments</b>				
Employee costs		(16,323,913)	(15,838,862)	(17,141,230)
Materials and contracts		(11,301,459)	(14,102,532)	(10,467,153)
Utility charges		(2,151,708)	(2,160,263)	(2,144,443)
Interest expenses		(202,898)	(120,908)	(122,688)
Insurance paid		(785,277)	(720,985)	(768,853)
Other expenditure		(2,208,463)	(1,791,885)	(2,196,837)
		(32,973,718)	(34,735,435)	(32,841,204)
<b>Net cash provided by (used in) operating activities</b>	4	8,352,491	963,367	6,692,230
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for financial assets at amortised cost - self supporting loans		(690,746)	0	(300,000)
Payments for purchase of property, plant & equipment	5(a)	(15,722,175)	(2,492,913)	(7,438,318)
Payments for construction of infrastructure	5(a)	(16,307,738)	(13,911,601)	(15,270,067)
Non-operating grants, subsidies and contributions		7,153,718	9,777,640	8,926,384
Proceeds from sale of property, plant and equipment	5(b)	445,073	195,747	694,000
Proceeds on financial assets at amortised cost - self supporting loans	7(a)	0	0	300,000
Repayment of self supporting loans by community groups		0	0	93,483
<b>Net cash provided by (used in) investing activities</b>		(25,121,868)	(6,431,127)	(12,994,518)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	7(a)	(444,162)	(859,957)	(1,011,664)
Proceeds from new borrowings	7(a)	690,746	1,800,000	2,100,000
<b>Net cash provided by (used in) financing activities</b>		246,584	940,043	1,088,336
<b>Net increase (decrease) in cash held</b>		(16,522,793)	(4,527,717)	(5,213,952)
Cash at beginning of year		39,537,812	44,065,529	42,478,719
<b>Cash and cash equivalents at the end of the year</b>	4	<b>23,015,019</b>	<b>39,537,812</b>	<b>37,264,767</b>

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

**SHIRE OF BROOME**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	3	4,145,052	4,839,446	5,492,969
<b>Revenue from operating activities (excluding rates)</b>		4,145,052	4,839,446	5,492,969
Operating grants, subsidies and contributions	10	1,688,116	3,453,757	1,943,852
Fees and charges	15	11,607,813	9,545,910	12,078,532
Interest earnings	11(a)	436,559	309,195	335,984
Other revenue	11(a)	1,337,814	981,103	1,182,519
Profit on asset disposals	5(b)	202,995	22,367	100,568
		15,273,297	14,312,332	15,641,455
<b>Expenditure from operating activities</b>				
Employee costs		(16,323,913)	(16,210,827)	(17,141,230)
Materials and contracts		(11,301,459)	(9,029,538)	(10,467,153)
Utility charges		(2,151,708)	(2,160,263)	(2,144,443)
Depreciation on non-current assets	6	(18,142,152)	(13,220,318)	(12,629,134)
Interest expenses	11(c)	(202,898)	(120,908)	(122,688)
Insurance expenses		(785,277)	(720,985)	(768,853)
Other expenditure		(2,208,463)	(1,791,885)	(2,196,837)
Loss on asset disposals	5(b)	(254,543)	(48,227)	(165,955)
		(51,370,413)	(43,302,951)	(45,636,293)
Non-cash amounts excluded from operating activities	3(b)	18,193,700	13,584,158	12,694,521
<b>Amount attributable to operating activities</b>		(13,758,364)	(10,567,015)	(11,807,348)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	10	12,633,743	6,322,463	8,226,226
Payments for property, plant and equipment	5(a)	(15,722,175)	(2,492,913)	(7,438,318)
Payments for construction of infrastructure	5(a)	(16,307,738)	(13,911,601)	(15,270,067)
Payments for financial assets at amortised cost - self supporting loans	7(a)	(690,746)	0	(300,000)
Proceeds from disposal of assets	5(b)	445,073	195,747	694,000
Proceeds from financial assets at amortised cost - self supporting loans	7(a)	0	0	300,000
Site remediation costs		0	(115,842)	(700,158)
<b>Amount attributable to investing activities</b>		(19,641,843)	(10,002,146)	(14,488,317)
Non-cash amounts excluded from investing activities	3(c)	0	(115,842)	0
<b>Amount attributable to investing activities</b>		(19,641,843)	(10,117,988)	(14,488,317)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	7(a)	(444,162)	(859,957)	(1,011,664)
Repayment of self supporting loans by community groups	7(a)	0	0	93,483
Proceeds from new borrowings	7(b)	690,746	1,800,000	2,100,000
Transfers to cash backed reserves (restricted assets)	8(a)	(1,818,355)	(12,623)	(2,441,206)
Transfers from cash backed reserves (restricted assets)	8(a)	9,970,352	0	3,562,505
<b>Amount attributable to financing activities</b>		<b>8,398,581</b>	<b>927,420</b>	<b>2,303,118</b>
<b>Budgeted deficiency before general rates</b>		(25,001,626)	(19,757,583)	(23,992,547)
<b>Estimated amount to be raised from general rates</b>	2(a)	25,001,626	23,902,635	23,992,547
<b>Net current assets at end of financial year - surplus/(deficit)</b>	3	<b>0</b>	<b>4,145,052</b>	<b>0</b>

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

## INDEX OF NOTES TO THE BUDGET

Note 1	Basis of Preparation	6
Note 2	Rates	9
Note 3	Net Current Assets	14
Note 4	Reconciliation of cash	17
Note 5	Fixed Assets	18
Note 6	Asset Depreciation	20
Note 7	Borrowings	21
Note 8	Reserves	23
Note 9	Revenue Recognition	25
Note 10	Program Information	26
Note 11	Other Information	27
Note 12	Elected Members Remuneration	28
Note 13	Major Land Transactions	29
Note 14	Trust	30
Note 15	Fees and Charges	31

**SHIRE OF BROOME**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**1 (a) BASIS OF PREPARATION**

The annual budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

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

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

Accounting policies which have been adopted in the preparation of this annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget 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.

Financial reporting disclosures in relation to assets and liabilities required by the Australian Accounting Standards have not been made unless considered important for the understanding of the budget or required by legislation.

**The local government reporting entity**

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

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 14 to the annual budget.

**2021/22 actual balances**

Balances shown in this budget as 2021/22 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

**Budget comparative figures**

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

**Comparative figures**

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

**Initial application of accounting standards**

During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date

It is not expected these standards will have an impact on the annual budget.

**New accounting standards for application in future years**

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

- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-6 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

It is not expected these standards will have an impact on the annual budget.

**Judgements, estimates and assumptions**

The preparation of the annual budget 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 balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- estimation of fair values of land and buildings and investment property
- impairment of financial assets
- estimation uncertainties and judgements made in relation to lease accounting
- estimated useful life of assets

**Rounding off figures**

All figures shown in this statement are rounded to the nearest dollar.

**SHIRE OF BROOME**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**1 (b) KEY TERMS AND DEFINITIONS - NATURE OR TYPE**

**REVENUES**

**RATES**

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

**SERVICE CHARGES**

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

Excludes rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**PROFIT ON ASSET DISPOSAL**

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

**OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

**NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

**FEES AND CHARGES**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

**INTEREST EARNINGS**

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**OTHER REVENUE / INCOME**

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

**EXPENSES**

**EMPLOYEE COSTS**

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences safety expenses, medical examinations, fringe benefit tax, etc.

**MATERIALS AND CONTRACTS**

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

**UTILITIES (GAS, ELECTRICITY, WATER, ETC.)**

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

**INSURANCE**

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

**LOSS ON ASSET DISPOSAL**

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation and amortisation expense raised on all classes of assets.

**INTEREST EXPENSES**

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

**OTHER EXPENDITURE**

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.



## 1 (c) KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

### OBJECTIVE

### ACTIVITIES

#### Governance

To provide a decision making process for the efficient allocation of resources.

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

#### General purpose funding

To collect revenue to allow provision of services.

Rates, general purpose government grants and interest revenue.

#### Law, order, public safety

To provide services to help ensure a safer and environmentally conscious community.

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

#### Health

To provide an operational framework for environmental and community health.

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

#### Education and welfare

To provide services to disadvantaged persons, the elderly, children and youth.

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

#### Housing

To provide and maintain staff housing.

Provision of staff housing.

#### Community amenities

To provide services required by the community.

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

#### Recreation and culture

To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.

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

#### Transport

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of streets, roads, bridges, footpaths and streetlighting.

#### Economic services

To help promote the Council's economic well being.

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

#### Other property and services

To monitor and control Council's overheads operating accounts.

Private works and provision of unclassified civic building facilities. General administration support for the Council's operations, allocated to other functions. Engineering, works and parks and gardens maintenance, allocated to construction and maintenance jobs. Plant and construction and maintenance jobs. Plant and depot operation and maintenance, allocated to construction and maintenance jobs.

**SHIRE OF BROOME**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**2. RATES AND SERVICE CHARGES**

**(a) Rating Information**

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Actual total revenue	2021/22 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
<b>(i) Differential general rates or general rates</b>										
GRV Residential	Gross rental valuation	0.08311	5,009	162,149,978	13,476,771	100,000	0	13,576,771	12,992,832	12,992,832
GRV Vacant	Gross rental valuation	0.17600	190	3,619,490	637,012	0	0	637,012	587,011	587,011
GRV Commercial	Gross rental valuation	0.11087	554	59,572,694	6,605,003	0	0	6,605,003	6,325,598	6,325,598
GRV Tourism	Gross rental valuation	0.13467	564	21,602,106	2,909,177	0	0	2,909,177	2,633,859	2,633,859
UV Commercial Rural	Unimproved valuation	0.03389	21	10,560,860	357,865	0	0	357,865	339,511	429,423
UV Mining	Unimproved valuation	0.13709	32	1,116,265	153,029	0	0	153,029	136,113	136,113
UV Rural	Unimproved valuation	0.00811	54	17,809,000	144,343	0	0	144,343	135,922	135,922
<b>Sub-Total</b>			<b>6,424</b>	<b>276,430,393</b>	<b>24,283,200</b>	<b>100,000</b>	<b>0</b>	<b>24,383,200</b>	<b>23,150,846</b>	<b>23,240,758</b>
		<b>Minimum</b>								
		\$								
GRV Residential	Gross rental valuation	1,268	53	709,210	67,204	0	0	67,204	74,420	74,420
GRV Vacant	Gross rental valuation	1,268	181	846,368	229,508	0	0	229,508	233,020	233,020
GRV Commercial	Gross rental valuation	1,268	22	153,862	27,896	0	0	27,896	28,060	28,060
GRV Tourism	Gross rental valuation	1,268	260	904,134	329,680	0	0	329,680	452,620	452,620
UV Commercial Rural	Unimproved valuation	1,268	2	13,300	2,536	0	0	2,536	2,440	2,440
UV Mining	Unimproved valuation	520	22	42,111	11,440	0	0	11,440	12,500	12,500
UV Rural	Unimproved valuation	1,268	4	191,300	5,072	0	0	5,072	4,880	4,880
<b>Sub-Total</b>			<b>544</b>	<b>2,860,285</b>	<b>673,336</b>	<b>0</b>	<b>0</b>	<b>673,336</b>	<b>807,940</b>	<b>807,940</b>
			<b>6,968</b>	<b>279,290,678</b>	<b>24,956,536</b>	<b>100,000</b>	<b>0</b>	<b>25,056,536</b>	<b>23,958,786</b>	<b>24,048,698</b>
Concessions on general rates (Refer note 2(g))								(54,910)	(56,151)	(56,151)
<b>Total amount raised from general rates</b>								<b>25,001,626</b>	<b>23,902,635</b>	<b>23,992,547</b>
<b>Total rates</b>								<b>25,001,626</b>	<b>23,902,635</b>	<b>23,992,547</b>

All land (other than exempt land) in the Shire of Broome is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire of Broome.

The general rates detailed for the 2022/23 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

## 2. RATES AND SERVICE CHARGES (CONTINUED)

### (b) Interest Charges and Instalments - Rates and Service Charges

The following instalment options are available to ratepayers for the payment of rates and service charges

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
<b>Option one</b>				
Single full payment	18-Aug-2022	0	0.0%	7.0%
<b>Option two</b>				
First instalment	18-Aug-2022	10.40	0.0%	7.0%
Second instalment	05-Jan-2023	10.40	5.5%	7.0%
<b>Option three</b>				
First instalment	18-Aug-2022	10.40	0.0%	7.0%
Second instalment	20-Oct-2022	10.40	5.5%	7.0%
Third instalment	05-Jan-2023	10.40	5.5%	7.0%
Fourth instalment	09-Mar-2023	10.40	5.5%	7.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	51,200	49,684	61,200
Instalment plan interest earned	135,000	129,780	80,000
Unpaid rates and service charge interest earned	130,000	125,296	117,000
	316,200	304,760	258,200

## 2. RATES AND SERVICE CHARGES (CONTINUED)

### (c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

#### Differential general rate

Description	Characteristics	Objects	Reasons
GRV – Residential	This rating category consists of properties located within the townsite boundaries which have a predominantly residential use.	This is the base rate by which all other GRV rated properties are assessed.	To reflect the level of rating required to raise the necessary revenue to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required for developed residential and urban areas. Other GRV rating categories have a higher demand on Shire resources and vacant land is encouraged to be developed.
GRV – Vacant	This rating category consists of vacant properties located within the townsite boundaries, including land zoned as Residential, Tourist, Commercial or Industrial.	To encourage land owners to develop vacant land and to reflect the different method used for the valuation of vacant land as compared to the GRV Residential, Commercial and Tourism rate category.	Excessive vacant land leaves subdivisions appearing barren and unsightly, to the detriment of the aesthetics of the area. The rate in the dollar for this category is 111.75% higher than the GRV – Residential base rate.
GRV – Commercial	This rating category consists of properties used for Commercial, Town Centre or Industrial purposes and non residential vacant land, excluding properties with a tourism use.	To raise additional revenue to fund the costs associated with the higher level of service provided to properties in this category.	The Shire incurs higher costs to service these areas including car park infrastructure, landscaping and other amenities. In addition, extra costs are also associated with tourism and economic development activities that have a benefit to these ratepayers. The rate in the dollar for this category is 33.4% higher than the GRV – Residential base rate.
GRV – Tourism	This rating category consists of properties with a tourism use within the townsite.	To raise additional revenue to fund the costs associated with the higher reliance on Shire resources and the higher level of service provided to properties in this category.	This category is rated higher than the base rate for GRV to fund costs associated with the heavier use of infrastructure and other Council assets and services in addition to contribution toward tourism promotion activities. Some additional costs contribute to economic development, tourism promotion, marketing activities, environmental health, public safety and law enforcement during the tourist season. The rate in the dollar for this category is 62.03% higher than the GRV – Residential base rate.

## 2. RATES AND SERVICE CHARGES (CONTINUED)

### (c) Objectives and Reasons for Differential Rating (Continued)

#### Differential general rate

Description	Characteristics	Objects	Reasons
UV - Rural	This rating category consists of properties that are exclusively for rural use.	This is the base rate by which all other UV rated properties are assessed.	Other UV rating categories have a higher demand on Shire resources.
UV - Commercial Rural	This rating category consists of properties that are outside of the townsite that have a commercial use inclusive of: – Pearling Leases; – Pastoral leases or Pastoral use;	To raise additional revenue to fund the additional cost impacts attributed to the servicing of these properties.	The Shire incurs higher costs of infrastructure maintenance and renewal of the rural road network due to its vulnerability to extreme weather conditions, further increasing due to extra vehicle movements and activities associated with these properties.
UV – Mining	This rating category consists of properties that are used for mining, exploration or prospecting purposes.	To reflect the impact on utilisation of rural infrastructure (compared to pastoral) by heavy transport and associated higher traffic volumes. Also, these properties have access to all other services and facilities provided by the Shire.	This category is rated higher than UV - Commercial due to the higher road infrastructure maintenance costs to the Shire from frequent heavy vehicle use over extensive lengths of Shire roads throughout the year.

### (d) Differential Minimum Payment

Description	Characteristics	Objects	Reasons
A minimum payment of \$1,268 has been applied to all rating categories except UV - Mining.		The object and reason for this minimum payment is to ensure that all property owners in the Shire of Broome are levied a unified and equitable minimum amount. It is also recognition that every property receives some minimum level of benefit of the works and services provided by the Shire.	
A minimum payment of \$520 has been applied to rating category for UV - Mining.		UV of mining tenements ranges from \$200 to \$453,000 and an average UV of \$19,936. The \$520 minimum rate for the UV-Mining category is set at a lower level than the other rating categories to ensure that less than 50% of the properties in this category are on the minimum rate and comply with section 6.35 of the Local Government Act 1995. Given the lower valuation figure assigned to small mining tenements, a lower minimum payment will also ensure that the rate burden is distributed equitably between all other property owners paying the minimum amount.	

Adopted differential rates did not vary from the differential rates as per the local public notice.

**SHIRE OF BROOME**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**2. RATES AND SERVICE CHARGES (CONTINUED)**

**(e) Specified Area Rate**

The Shire did not levy any Specified Area Rates for the year ended 30th June 2023.

**(f) Service Charges**

The Shire did not raise service charges for the year ended 30th June 2023.

**(g) Waivers or concessions**

<b>Rate, fee or charge to which the waiver or concession is granted</b>	<b>Note</b>	<b>Type</b>	<b>Discount %</b>	<b>Discount (\$)</b>	<b>2022/23 Budget</b>	<b>2021/22 Actual</b>	<b>2021/22 Budget</b>	<b>Circumstances in which the waiver or concession is granted</b>	<b>Objects and reasons of the waiver or concession</b>
GRV – Residential	2(a)(i)	Concession	50-90%		\$ 54,910	\$ 56,151	\$ 56,151	As per the Deed of Settlement between Nyamba Buru Yawuru Ltd and the Shire of Broome for agreed concessions on the assessments specified, based on the purpose of each property. These are reviewed annually.	
					54,910	56,151	56,151		

SHIRE OF BROOME  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2023

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents - unrestricted	4	32,009	2,830,174	919,046
Cash and cash equivalents - restricted	4	22,983,010	36,707,638	36,345,721
Financial assets - unrestricted		92,259	92,259	89,026
Receivables		1,483,693	2,830,580	5,676,724
Contract assets		0	0	488,063
Inventories		53,648	53,648	44,403
Other assets		8,660	8,660	0

Less: current liabilities

Trade and other payables		(2,203,490)	(2,203,490)	(6,343,271)
Contract liabilities		0	(92,606)	0
Unspent non-operating grants, subsidies and contributions liability		(276,120)	(5,756,145)	(7,997,581)
Long term borrowings	7	(551,033)	(444,162)	(854,092)
Employee provisions		(1,908,591)	(1,908,591)	(2,379,880)

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement

Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
	\$	\$	\$
	24,653,279	42,522,959	43,562,983
	(2,203,490)	(2,203,490)	(6,343,271)
	0	(92,606)	0
	(276,120)	(5,756,145)	(7,997,581)
	(551,033)	(444,162)	(854,092)
	(1,908,591)	(1,908,591)	(2,379,880)
	(4,939,234)	(10,404,994)	(17,574,824)
	19,714,045	32,117,965	25,988,159
	(19,714,045)	(27,972,913)	(25,988,159)
3.(d)	0	4,145,052	0

SHIRE OF BROOME  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2023

3. NET CURRENT ASSETS (CONTINUED)

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

(b) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals

Add: Loss on disposal of assets

Add: Depreciation on assets

Movement in non-current employee provisions

Non cash amounts excluded from operating activities

Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
	\$	\$	\$
5(b)	(202,995)	(22,367)	(100,568)
5(b)	254,543	48,227	165,955
6	18,142,152	13,220,318	12,629,134
	0	337,980	0
	18,193,700	13,584,158	12,694,521

(c) Non-cash amounts excluded from investing activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to investing activities

Movement in non-current other provisions

Movement in current unspent non-operating grants associated with restricted cash

Non cash amounts excluded from investing activities

	0	(115,842)	700,158
	0		(526,325)
	0	(115,842)	173,833

(d) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Cash - restricted reserves

Less: Current assets not expected to be received at end of year

- Other liabilities

Add: Current liabilities not expected to be cleared at end of year

- Current portion of borrowings

- Current portion of capital expenditure provisions held in reserve

- Current portion of employee benefit provisions held in reserve

Total adjustments to net current assets

8	(22,706,890)	(30,858,887)	(28,348,140)
	0	0	(873,991)
	551,033	444,162	854,092
	197,345	197,345	0
	2,244,467	2,244,467	2,379,880
	(19,714,045)	(27,972,913)	(25,988,159)



**3 (e) NET CURRENT ASSETS (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**CURRENT AND NON-CURRENT CLASSIFICATION**

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

**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 of Broome becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**PREPAID RATES**

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

**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.

**Superannuation**

The Shire of Broome contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Broome contributes are defined contribution plans.

**LAND HELD FOR RESALE**

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.

**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.

**TRADE AND OTHER RECEIVABLES**

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

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

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

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

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

**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.

**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.

**CONTRACT LIABILITIES**

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

#### 4. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	Note	2022/23 Budget	2021/22 Actual	2021/22 Budget
Cash at bank and on hand		\$ 308,129	\$ 8,678,925	\$ 8,963,010
Term deposits		22,706,890	30,858,887	28,301,757
<b>Total cash and cash equivalents</b>		<b>23,015,019</b>	<b>39,537,812</b>	<b>37,264,767</b>
Held as				
- Unrestricted cash and cash equivalents	3(a)	32,009	2,830,174	919,046
- Restricted cash and cash equivalents	3(a)	22,983,010	36,707,638	36,345,721
		<b>23,015,019</b>	<b>39,537,812</b>	<b>37,264,767</b>
<b>Restrictions</b>				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents		22,983,010	36,707,638	36,345,721
		<b>22,983,010</b>	<b>36,707,638</b>	<b>36,345,721</b>
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Financially backed reserves	8	22,706,890	30,858,887	28,348,140
Contract liabilities		0	92,606	0
Unspent non-operating grants, subsidies and contribution liabilities		276,120	5,756,145	7,997,581
		<b>22,983,010</b>	<b>36,707,638</b>	<b>36,345,721</b>
<b>Reconciliation of net cash provided by operating activities to net result</b>				
<b>Net result</b>		<b>1,538,253</b>	<b>1,234,479</b>	<b>2,223,935</b>
Depreciation	6	18,142,152	13,220,318	12,629,134
(Profit)/loss on sale of asset	5(b)	51,548	25,860	65,387
(Increase)/decrease in receivables		1,346,887	285,172	0
(Increase)/decrease in inventories		0	11,502	0
Increase/(decrease) in payables		0	(5,137,588)	0
Increase/(decrease) in contract liabilities		(92,606)	(2,899,098)	0
Increase/(decrease) in unspent non-operating grants		(5,480,025)	3,571,017	0
Increase/(decrease) in other provision		0	(115,842)	700,158
Increase/(decrease) in employee provisions		0	337,980	0
Non-operating grants, subsidies and contributions		(7,153,718)	(9,570,433)	(8,926,384)
<b>Net cash from operating activities</b>		<b>8,352,491</b>	<b>963,367</b>	<b>6,692,230</b>

#### SIGNIFICANT ACCOUNTING POLICES

##### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, 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 shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

##### FINANCIAL ASSETS AT AMORTISED COST

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

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

SHIRE OF BROOME  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2023

5. FIXED ASSETS

(a) Acquisition of Assets

The following assets are budgeted to be acquired during the year.

Asset class	Reporting program								2022/23 Budget total	2021/22 Actual total	2021/22 Budget total
	Governance	Law, order, public safety	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>											
Buildings - non-specialised	0	3,092,837	31,192	7,036,765	581,775	0	0	478,310	11,220,879	1,635,883	4,661,693
Furniture and equipment	0	0	0	0	233,100	0	0	245,760	478,860	240,362	588,125
Plant and equipment	60,000	0	0	901,802	50,370	0	0	3,010,264	4,022,436	616,668	2,188,500
	60,000	3,092,837	31,192	7,938,567	865,245	0	0	3,734,334	15,722,175	2,492,913	7,438,318
<i>Infrastructure</i>											
Infrastructure - roads	0	0	0	0	0	4,045,677	40,000	0	4,085,677	6,648,131	6,222,370
Infrastructure - drainage	0	0	0	26,320	0	0	0	0	26,320	63,612	150,560
Infrastructure - Recreation Areas	0	0	0	0	11,413,967	0	0	0	11,413,967	3,171,846	4,904,135
Infrastructure - Other	0	0	0	516,061	35,000	103,962	126,751	0	781,774	4,028,011	3,993,002
	0	0	0	542,381	11,448,967	4,149,639	166,751	0	16,307,738	13,911,601	15,270,067
<b>Total acquisitions</b>	60,000	3,092,837	31,192	8,480,948	12,314,212	4,149,639	166,751	3,734,334	32,029,913	16,404,514	22,708,385

A detailed breakdown of acquisitions on an individual asset basis, including acquisitions carried forward from the 2021/22 annual budget, can be found in the supplementary information attached to this budget document as follows:

- Schedule 1 (New Capital Works and Carried Forward Programme 2022/23)
- Schedule 2 (Plant and Equipment Summary 2022/23)
- Schedule 3 (Capital and Operating Carried Forward Projects 2021/22)

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

**SHIRE OF BROOME**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**5. FIXED ASSETS**

**(b) Disposals of Assets**

The following assets are budgeted to be disposed of during the year.

	<b>2022/23 Budget Net Book Value</b>	<b>2022/23 Budget Sale Proceeds</b>	<b>2022/23 Budget Profit</b>	<b>2022/23 Budget Loss</b>	<b>2021/22 Actual Net Book Value</b>	<b>2021/22 Actual Sale Proceeds</b>	<b>2021/22 Actual Profit</b>	<b>2021/22 Actual Loss</b>	<b>2021/22 Budget Net Book Value</b>	<b>2021/22 Budget Sale Proceeds</b>	<b>2021/22 Budget Profit</b>	<b>2021/22 Budget Loss</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Governance	91,297	95,000	12,559	(8,856)	0	0	0	0	0	0	0	0
Community amenities	55,348	117,308	90,868	(28,908)	42,649	50,761	8,112	0	226,706	277,000	80,495	(30,201)
Recreation and culture	0	(3,405)	0	(3,405)	0	0	0	0	16,405	13,000	0	(3,405)
Other property and services	349,977	236,171	99,568	(213,374)	178,958	144,986	14,255	(48,227)	516,276	404,000	20,073	(132,349)
	496,621	445,073	202,995	(254,543)	221,607	195,747	22,367	(48,227)	759,387	694,000	100,568	(165,955)
<b>By Class</b>												
<i>Property, Plant and Equipment</i>												
Plant and equipment	496,621	445,073	202,995	(254,543)	221,607	195,747	22,367	(48,227)	759,387	694,000	100,568	(165,955)
	496,621	445,073	202,995	(254,543)	221,607	195,747	22,367	(48,227)	759,387	694,000	100,568	(165,955)

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

- Schedule 2 (Plant and Equipment Summary 2022/23)

**SIGNIFICANT ACCOUNTING POLICIES**

**GAINS AND LOSSES ON DISPOSAL**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

## 6. ASSET DEPRECIATION

### By Program

Law, order, public safety
Health
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

### By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths, carparks and bridges
Infrastructure - drainage
Infrastructure - Recreation Areas
Infrastructure - Other
Work in progress - roads, footpaths and bridges infrastructure

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
110,248	108,077	90,358
1,218	1,220	1,230
62,536	22,093	22,281
1,681,435	1,691,368	1,258,093
6,470,457	3,381,701	3,387,218
6,507,366	5,450,286	5,588,387
173,098	133,530	132,033
3,135,794	2,432,043	2,149,534
<b>18,142,152</b>	<b>13,220,318</b>	<b>12,629,134</b>
3,033,528	2,160,344	345,751
642,481	546,905	10,402
2,040,864	1,597,354	4,585,659
5,383,293	4,239,850	5,588,387
776,713	952,319	0
669,719	719,182	719,093
4,136,989	1,608,293	0
1,458,565	1,396,071	1,313,858
0	0	65,984
<b>18,142,152</b>	<b>13,220,318</b>	<b>12,629,134</b>

## SIGNIFICANT ACCOUNTING POLICIES

### 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.

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.

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

	Estimated
Vehicles (High Use 1 year replacement pr	4 years
Ride on Mowers	5 years
Plant Portable (regular use)	5 years
Plant Other (low use and/or long life)	16 years
Computer Equipment (hardware/software)	4 years
Furniture & Equipment	10 years
Building Plant & Air Conditioning	15 years
Buildings - Long Life Structures Infrastruct	50 years

### AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

**SHIRE OF BROOME**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**7. INFORMATION ON BORROWINGS**

**(a) Borrowing repayments**

Movement in borrowings and interest between the beginning and the end of the current financial year.

Purpose	Loan Number	Institution	Interest Rate	Budget	2022/23	2022/23	Budget	2022/23	Actual	2021/22	2021/22	Actual	2021/22	Budget	2021/22	2021/22	Budget	2021/22	
				Principal	Budget	Budget	Budget	Principal		Actual	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Principal	Principal
				1 July 2022	New Loans	Repayments	Principal outstanding 30 June 2023	Repayments	1 July 2021	New Loans	Repayments	Principal outstanding 30 June 2022	Repayments	1 July 2021	New Loans	Repayments	Principal outstanding 30 June 2022	Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Law, order, public safety</b>																			
	193	WATC*	3.95%	0	0	0	0	0	506,929	0	(506,929)	0	(15,067)	506,929	0	(506,929)	0	(15,067)	
	197	WATC*	1.62%	1,276,291	0	(88,975)	1,187,317	(20,272)	1,363,845	0	(87,554)	1,276,291	(21,694)	1,363,845	0	(87,554)	1,276,291	(22,554)	
<b>Economic services</b>																			
	196	WATC*	1.89%	1,223,136	0	(165,029)	1,058,107	(22,340)	1,385,090	0	(161,954)	1,223,136	(25,417)	1,385,090	0	(161,954)	1,223,136	(26,059)	
	198	WATC*	1.95%	1,681,479	0	(105,549)	1,575,930	(32,276)	1,785,000	0	(103,521)	1,681,479	(34,305)	1,785,000	0	(107,655)	1,677,345	(24,790)	
	201	WATC*	4.75%	1,800,000	0	(84,609)	1,715,391	(84,588)	0	1,800,000	0	1,800,000	0	0	1,800,000	(54,089)	1,745,911	(12,690)	
				5,980,907	0	(444,162)	5,536,745	(159,476)	5,040,864	1,800,000	(859,957)	5,980,907	(96,483)	5,040,864	1,800,000	(918,181)	5,922,683	(101,160)	
<b>Self Supporting Loans</b>																			
<b>Law, order, public safety</b>																			
	200	WATC*	TBC	0	690,746	0	690,746	(18,996)	0	0	0	0	0	0	300,000	(18,094)	281,906	(4,167)	
<b>Recreation and culture</b>																			
	199	WATC*	1.95%	1,250,000	0	0	1,250,000	(24,426)	1,250,000	0	0	1,250,000	(24,425)	1,250,000	0	(75,389)	1,174,611	(17,361)	
				1,250,000	690,746	0	1,940,746	(43,422)	1,250,000	0	0	1,250,000	(24,425)	1,250,000	300,000	(93,483)	1,456,517	(21,528)	
				7,230,907	690,746	(444,162)	7,477,491	(202,898)	6,290,864	1,800,000	(859,957)	7,230,907	(120,908)	6,290,864	2,100,000	(1,011,664)	7,379,200	(122,688)	

\* WA Treasury Corporation

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.  
The self supporting loan(s) repayment will be fully reimbursed.

SHIRE OF BROOME  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2023

7. INFORMATION ON BORROWINGS

(b) New borrowings - 2022/23

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Broome Surf Life Saving Club	WATC	Semi-annual	1st year interest only + 15 years principal and interest	5.5%	\$ 690,746	\$ 380,206	\$ 690,746	\$ 0
					690,746	380,206	690,746	0

The Broome Surf Life Saving Club Self Supporting loan was budgeted as \$300,000 in the 2021/22 Annual Budget. The budget was increased to \$690,746 at a Special Meeting of Council on 21/12/2021, followed by one month's local public notice as per the *Local Government Act 1995* s6.20(2).

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2022 nor is it expected to have unspent borrowing funds as at 30th June 2023.

(d) Credit Facilities

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
Bank overdraft limit	700,000	700,000	700,000
Bank overdraft at balance date	0	0	0
Credit card limit	100,000	100,000	60,000
Credit card balance at balance date	0	0	0
<b>Total amount of credit unused</b>	<b>800,000</b>	<b>800,000</b>	<b>760,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	7,477,491	7,230,907	7,379,200

SIGNIFICANT ACCOUNTING POLICIES

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.

SHIRE OF BROOME  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2023

8. FINANCIALLY BACKED RESERVES

(a) Financially Backed Reserves - Movement

	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance	2021/22 Actual Opening Balance	2021/22 Actual Transfer to	2021/22 Actual Transfer (from)	2021/22 Actual Closing Balance	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by legislation</b>												
(a) Footpath reserve	2,284,249	9,145	(316,173)	1,977,221	2,283,309	940	0	2,284,249	2,241,258	5,672	(444,354)	1,802,576
(b) Carpark reserve	348,367	16,050	0	364,417	348,224	143	0	348,367	348,201	42,980	0	391,181
	2,632,616	25,195	(316,173)	2,341,638	2,631,534	1,082	0	2,632,616	2,589,459	48,652	(444,354)	2,193,757
<b>Restricted by council</b>												
(c) Leave reserve	1,197,509	62,470	0	1,259,979	1,197,060	449	0	1,197,509	932,995	313,851	(115,646)	1,131,200
(d) Restricted Cash reserve	65,000	0	0	65,000	65,000	0	0	65,000	0	0	0	0
(e) Community Sponsorship reserve	81,488	327	0	81,815	81,454	34	0	81,488	100,799	0	0	100,799
(f) EDL Sponsorship reserve	62,051	248	0	62,299	62,025	26	0	62,051	55,522	145	0	55,667
(g) Road reserve	1,517,912	5,024	0	1,522,936	1,517,285	627	0	1,517,912	1,517,140	235,580	0	1,752,720
(h) Public Art reserve	6,214	24	0	6,238	6,211	3	0	6,214	6,211	20	0	6,231
(i) BRAC (Leisure Centre) reserve	58,528	234	(58,000)	762	58,504	24	0	58,528	58,500	187	(58,000)	687
(j) Public Open Space reserve	1,807,390	773,779	(769,501)	1,811,668	1,806,644	746	0	1,807,390	1,799,529	1,045,709	(172,800)	2,672,438
(k) Drainage reserve	1,538,930	10,336	0	1,549,266	1,538,301	629	0	1,538,930	1,553,201	33,608	0	1,586,809
(l) Plant reserve	1,896,171	7,592	(391,804)	1,511,959	1,895,392	779	0	1,896,171	1,695,241	5,410	(252,500)	1,448,151
(m) Buildings reserve	2,922,156	918,008	(512,934)	3,327,230	2,920,961	1,195	0	2,922,156	2,896,772	481,416	(499,856)	2,878,332
(n) Refuse Site reserve	2,666,096	10,675	(1,101,855)	1,574,916	2,664,994	1,102	0	2,666,096	2,109,939	6,766	(1,512,617)	604,088
(o) Regional Resouce Recovery Park reserve	13,297,144	0	(6,785,085)	6,512,059	13,291,670	5,474	0	13,297,144	13,189,289	44,690	(456,732)	12,777,247
(p) IT & Equipment reserve	714,944	2,863	(35,000)	682,807	714,650	294	0	714,944	647,704	223,697	(50,000)	821,401
(q) Kimberley Zone reserve	394,738	1,580	0	396,318	394,579	159	0	394,738	317,138	1,475	0	318,613
	28,226,271	1,793,160	(9,654,179)	20,365,252	28,214,730	11,541	0	28,226,271	26,879,980	2,392,554	(3,118,151)	26,154,383
	30,858,887	1,818,355	(9,970,352)	22,706,890	30,846,264	12,623	0	30,858,887	29,469,439	2,441,206	(3,562,505)	28,348,140



**SHIRE OF BROOME**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**8. FINANCIALLY BACKED RESERVES**

**(b) Financially Backed Reserves - Purposes**

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

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

**SHIRE OF BROOME**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**9. REVENUE RECOGNITION**

**SIGNIFICANT ACCOUNTING POLICIES**

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

<b>Revenue Category</b>	<b>Nature of goods and services</b>	<b>When obligations typically satisfied</b>	<b>Payment terms</b>	<b>Returns/Refunds/Warranties</b>	<b>Determination of transaction price</b>	<b>Allocating transaction price</b>	<b>Measuring obligations for returns</b>	<b>Revenue recognition</b>
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

## 10. PROGRAM INFORMATION

Income and expenses	2022/23 Budget	2021/22 Actual	2021/22 Budget
<b>Income excluding grants, subsidies and contributions</b>	\$	\$	\$
Governance	14,714	4,028	1,620
General purpose funding	25,425,376	24,317,911	24,314,912
Law, order, public safety	132,928	67,128	120,861
Health	192,140	170,660	189,731
Housing	1,102,751	565,412	2,031,236
Community amenities	6,978,502	5,881,888	6,615,788
Recreation and culture	1,478,996	1,168,284	1,318,143
Transport	40,564	18,009	26,552
Economic services	962,637	408,316	911,027
Other property and services	2,258,199	2,159,574	2,160,280
	<b>38,586,807</b>	<b>34,761,210</b>	<b>37,690,150</b>
<b>Operating grants, subsidies and contributions</b>			
Governance	14,000	181,320	11,000
General purpose funding	547,096	2,094,859	822,334
Health	5,000	5,185	5,000
Education and welfare	93,000	25,000	25,000
Community amenities	25,000	24,510	12,000
Recreation and culture	110,057	159,384	180,000
Transport	828,043	697,025	573,518
Economic services	0	42,143	0
Other property and services	65,920	224,331	315,000
	<b>1,688,116</b>	<b>3,453,757</b>	<b>1,943,852</b>
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	0	0	10,000
Community amenities	0	57,837	0
Recreation and culture	9,844,127	3,874,893	5,333,887
Transport	2,789,616	2,239,733	2,882,339
Economic services	0	150,000	0
	<b>12,633,743</b>	<b>6,322,463</b>	<b>8,226,226</b>
<b>Total Income</b>	<b>52,908,666</b>	<b>44,537,430</b>	<b>47,860,228</b>
<b>Expenses</b>			
Governance	(2,244,183)	(2,078,352)	(2,240,459)
General purpose funding	(624,840)	(337,541)	(339,348)
Law, order, public safety	(1,496,764)	(1,398,291)	(1,116,235)
Health	(813,994)	(703,244)	(806,634)
Education and welfare	(799,743)	(312,635)	(424,795)
Housing	(1,281,616)	(894,307)	(2,247,459)
Community amenities	(10,994,485)	(9,401,732)	(10,780,752)
Recreation and culture	(17,517,053)	(12,315,413)	(13,995,567)
Transport	(10,610,233)	(10,734,050)	(11,233,425)
Economic services	(2,495,059)	(2,044,489)	(2,210,496)
Other property and services	(2,492,443)	(3,082,897)	(241,123)
<b>Total expenses</b>	<b>(51,370,413)</b>	<b>(43,302,951)</b>	<b>(45,636,293)</b>
<b>Net result for the period</b>	<b>1,538,253</b>	<b>1,234,479</b>	<b>2,223,935</b>

## 11. OTHER INFORMATION

	<b>2022/23 Budget</b>	<b>2021/22 Actual</b>	<b>2021/22 Budget</b>
	\$	\$	\$
<b>The net result includes as revenues</b>			
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	120,616	9,806	95,918
- Other funds	50,943	44,313	43,066
Other interest revenue (refer note 1b)	265,000	255,076	197,000
	<b>436,559</b>	<b>309,195</b>	<b>335,984</b>
<b>(a) Other revenue</b>			
Reimbursements and recoveries	1,198,228	934,680	1,082,519
Other	139,586	46,423	100,000
	<b>1,337,814</b>	<b>981,103</b>	<b>1,182,519</b>
<b>The net result includes as expenses</b>			
<b>(b) Auditors remuneration</b>			
Audit services	129,000	48,985	73,000
Other services	10,000	7,580	10,000
	<b>139,000</b>	<b>56,564</b>	<b>83,000</b>
<b>(c) Interest expenses (finance costs)</b>			
Borrowings (refer Note 7(a))	202,898	120,908	122,688
	<b>202,898</b>	<b>120,908</b>	<b>122,688</b>

## 12. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
<b>Cr Harold Tracey</b>			
President's allowance	48,703	47,515	47,515
Meeting attendance fees	23,946	23,361	23,361
ICT allowances	3,500	3,500	3,500
Travel and accommodation expenses	50	50	50
	<b>76,199</b>	<b>74,426</b>	<b>74,426</b>
<b>Cr Desiree Male</b>			
Deputy President's allowance	12,176	11,879	11,879
Meeting attendance fees	17,858	17,423	17,423
ICT allowances	3,500	3,500	3,500
Travel and accommodation expenses	50	50	50
	<b>33,584</b>	<b>32,852</b>	<b>32,852</b>
<b>Cr Chris Mitchell JP</b>			
Meeting attendance fees	17,858	17,423	17,423
ICT allowances	3,500	3,500	3,500
Travel and accommodation expenses	50	50	50
	<b>21,408</b>	<b>20,973</b>	<b>20,973</b>
<b>Cr Bruce Rudeforth Jnr</b>			
Meeting attendance fees	17,858	17,423	17,423
ICT allowances	3,500	3,500	3,500
Travel and accommodation expenses	50	50	50
	<b>21,408</b>	<b>20,973</b>	<b>20,973</b>
<b>Cr Elsta Foy</b>			
Meeting attendance fees	17,858	17,423	17,423
ICT allowances	3,500	3,500	3,500
Travel and accommodation expenses	50	50	50
	<b>21,408</b>	<b>20,973</b>	<b>20,973</b>
<b>Cr Philip Matsumoto</b>			
Meeting attendance fees	17,858	17,423	17,423
ICT allowances	3,500	3,500	3,500
Travel and accommodation expenses	50	50	50
	<b>21,408</b>	<b>20,973</b>	<b>20,973</b>
<b>Cr Peter Taylor</b>			
Meeting attendance fees	17,858	17,423	17,423
ICT allowances	3,500	3,500	3,500
Travel and accommodation expenses	50	50	50
	<b>21,408</b>	<b>20,973</b>	<b>20,973</b>
<b>Cr Nik Wevers</b>			
Meeting attendance fees	17,858	17,423	17,423
ICT allowances	3,500	3,500	3,500
Travel and accommodation expenses	50	50	50
	<b>21,408</b>	<b>20,973</b>	<b>20,973</b>
<b>Cr Fiona West</b>			
Meeting attendance fees	0	5,808	17,423
ICT allowances	0	1,167	3,500
Travel and accommodation expenses	0	17	50
	<b>0</b>	<b>6,991</b>	<b>20,973</b>
<b>Total Elected Member Remuneration</b>	<b>238,231</b>	<b>240,107</b>	<b>254,089</b>
President's allowance	48,703	47,515	47,515
Deputy President's allowance	12,176	11,879	11,879
Meeting attendance fees	148,952	151,130	162,745
ICT expenses	28,000	29,167	31,500
Travel and accommodation expenses	400	417	450
	<b>238,231</b>	<b>240,107</b>	<b>254,089</b>

### 13. MAJOR LAND TRANSACTIONS

It is not anticipated the Shire will be party to any Major Land Transactions during 2022/23.

**14. TRUST FUNDS**

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

Detail	Balance 30 June 2022	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2023
	\$	\$	\$	\$
Town Planning Related Bond Deposits	106,562	0	0	106,562
	106,562	0	0	106,562

## 15. FEES AND CHARGES

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
<b>By Program:</b>			
General purpose funding	123,350	125,816	95,365
Law, order, public safety	92,519	38,214	90,639
Health	192,140	170,660	189,731
Housing	1,102,751	565,412	2,031,236
Community amenities	6,691,534	5,858,117	6,379,383
Recreation and culture	1,272,802	1,115,197	1,252,218
Transport	25,000	16,300	15,000
Economic services	763,637	432,203	712,027
Other property and services	1,344,081	1,223,991	1,312,933
	11,607,813	9,545,910	12,078,532

The subsequent pages detail the fees and charges proposed to be imposed by the local government.