



# AGENDA

FOR THE

SPECIAL MEETING OF COUNCIL

**22 AUGUST 2024**

# NOTICE OF MEETING

Dear Council Member,

The next Special Meeting of Council will be held on Thursday, 22 August 2024 in the Council Chambers, Corner Weld and Haas Streets, Broome, commencing at 3.00pm for the purpose of considering:

- ADOPTION OF THE 2024/2025 ANNUAL BUDGET

Regards,



S MASTROLEMBO  
**Chief Executive Officer**

16/08/2024

## Our Mission

*"To deliver affordable and quality Local Government services."*

### DISCLAIMER

The purpose of Council Meetings is to discuss, and where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting.

Persons should be aware that the provisions in section 5.25 of the *Local Government Act 1995* establish procedures for revocation or rescission of a Council decision. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person. The Shire of Broome expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Council meeting.

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**SHIRE OF BROOME**  
**SPECIAL MEETING OF COUNCIL**  
**THURSDAY 22 AUGUST 2024**  
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**1. OFFICIAL OPENING**

**2. ATTENDANCE AND APOLOGIES**

Attendance:

Leave of Absence: Cr. S Cooper

Apologies:

Officers:

Public Gallery:

**3. DECLARATIONS OF FINANCIAL INTEREST / IMPARTIALITY**

**4. PUBLIC QUESTION TIME**

**5. REPORTS FROM OFFICERS**

**5.1 PEOPLE**

There are no reports in this section.

**5.2 PLACE**

There are no reports in this section.

**5.3 PROSPERITY**

There are no reports in this section.

**5.4 PERFORMANCE**

**5.4.1 ADOPTION OF THE 2024/2025 ANNUAL BUDGET**

<b>LOCATION/ADDRESS:</b>	Nil
<b>APPLICANT:</b>	Nil
<b>FILE:</b>	ACC01
<b>AUTHOR:</b>	Manager Financial Services
<b>CONTRIBUTOR/S:</b>	Nil
<b>RESPONSIBLE OFFICER:</b>	Acting Director Corporate Services
<b>DISCLOSURE OF INTEREST:</b>	Nil

**SUMMARY:**  
 Council is requested to adopt the Shire of Broome 2024/2025 Annual Budget, together with supporting schedules, including the:

1. Differential Rates, Minimum Payments and Instalment Payment Arrangements;
2. Elected Member Sitting Fees and Allowances;
3. Materiality Threshold for Variance Reporting; and
4. Schedule of Fees and Charges.

**BACKGROUND**

Under section 6.2 of the *Local Government Act 1995*, a local government is required to prepare and adopt an Annual Budget for its municipal fund for each financial year.

The annual budget is informed by Council's adopted long term plans required through the Integrated Planning and Reporting (**IPR**) Framework:

- The Strategic Community Plan (**SCP**) is a long term, overarching strategy and planning document that outlines the future aspirations and priorities for the Broome community and sets out the key strategies to achieve these. The Strategic Community Plan is a living document which has a partial review every two years and a full review every four years, to reflect the community's changing aspirations and priorities.
- The Corporate Business Plan (**CBP**) translates the aspirations and strategies of the SCP into operational priorities and indicates how they will be resourced over a four-year period and articulates how the Strategic Community Plan will be delivered through services, capital works, projects and activities. The Corporate Business Plan is reviewed annually as part of the budget process to ensure priorities are achievable and effectively timed.
- The Long-Term Financial Plan (**LTFP**) is the monetary translation of the Corporate Business Plan encapsulating operating, capital, investing and financing activities. The annual Budget is then guided by the high-level projections embodied in the Long-Term Financial Plan.

**Previous Considerations**

OCM 14 December 2023	Minute No. C/1223/065 Corporate Business Plan Annual Update
OCM 24 April 2024	Minute No. C/0424/013 Notice of Intention to Impose 2024/2025 Differential Rates
OCM 30 May 2024	Minute No. C/0524/075 Council Consideration of Public Submissions on Intention to Impose Differential Rates and Minimum Payments for the 2024/25 Annual Budget
OCM 25 July 2024	Minute No. C/0724/087 Shire of Broome Rates 2024/2025

At the Ordinary Council Meeting (**OCM**) held 24 April 2024, Council resolved to publish a local public notice, adopt the objects and reasons and to request the CEO to report back post advertising. Advertising commenced from 1 May 2024. No submissions were received in the consultation period, and Council endorsed the proposed 2024/2025 differential rating model, including the revised Unimproved Value Valuations, at the OCM held 30 May 2024.

Following Ministerial advice and ensuring legislative compliance that all forms of advertising met the 21-day public submission requirement, the proposed 2024/2025 differential rating model was readvertised from 26 June 2024 for public comment. One submission was received by closure on 18 July 2024. The submission and officer's response were presented at the OCM held 25 July 2024. Council reaffirmed the endorsement of the proposed Differential General Rates and Minimum Payments for 2024/2025 and Objects and Reasons. Ministerial approval for the proposed differential rates was received on 14 August 2024 (Attachment 4).

**Fees and Charges**

Under sections 6.16 to 6.19 of the *Local Government Act 1995*, a local government may impose a fee or charge for any goods or services it provides. Fees and charges must be imposed when adopting the Annual Budget, however, may also be imposed or amended during the year if necessary.

The 2024/2025 Schedule of Fees and Charges was adopted at the OCM held 27 June 2024 (Minute No. C/0624/079) and advertised for public comment from 29 June 2024. No submissions were received, and the Council Fees and Charges became effective on 10 July 2024. The 2024/2025 Schedule of Fees and Charges is included in this report for adoption, as required under section 6.16 (3) of the *Local Government Act 1995*.

**COMMENT**

The draft Annual Budget for the 2024/2025 financial year has been prepared as a balanced budget, and in accordance with the requirements of the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards. A comprehensive review process has been undertaken, ensuring alignment with the strategic objectives outlined in the Council's Strategic Community Plan and Corporate Business Plan. Public consultation for the proposed differential rates was conducted 1 May 2024 to 22 May 2024, and 26 June 2024 to 18 July 2024. One submission was received during the second consultation period, and considered at the OCM held 25 July 2024.

The budget has been prepared with an average increase of 5.97% to the rate in the dollar (**RID**) and minimum payments across all differential rating categories from the preceding year plus an additional 0.959% for Gross Rental Value (**GRV**) Commercial properties to

support the cost of the Inter Regional Flight Network, a pre-existing commitment from Council in 2022/2023.

Financial Year	CPI (Perth June)	General Rates Increase	Difference CPI vs Rates Increase	Cumulative
2024/2025	4.60%	5.97%	1.37%	-4.40%
2023/2024	4.90%	5.00%	0.10%	-5.77%
2022/2023	7.40%	4.00%	-3.40%	-5.87%
2021/2022	4.20%	1.83%	-2.37%	-2.47%
2020/2021	0.10%	0.00%	-0.10%	-0.10%

The annual budget process is steered by the first year of the Long-Term Financial Plan which is reviewed every year in conjunction with the review of the Corporate Business Plan. The Shire's Long-Term Financial Plan modelled a forecast rates increase of 5% for 2024/2025. As preparation of the budget has progressed, it has been recognised that the annual Financial Assistance grant from the Commonwealth Government, which was forecast to increase over time in the Long-Term Financial Plan, has in fact been reducing, as it is based on an inaccurate allocation advice from the Commonwealth. While every opportunity is sought to find savings, new revenue streams including grants, drawn down reserve funds and finally reduce services, this has still impacted the municipal funding required in 2024/2025 to maintain the Shire's services, programs and asset renewal.

In the preceding five financial years Council has prioritised the cost of living burden on its ratepayers when considering the rates decision, despite significant CPI increases and continual increases to materials, contractors and insurance premiums above CPI, and interest rates on new loans. Council's commitment to the Broome community annually is to manage the rates increase while maintaining service levels; and striking the correct balance is a key focus of the annual budget process.

The main features of the draft budget include:

### **Rates Revenue**

Rates revenue has been budgeted at \$28,649,409 required to meet the 2024/2025 deficit after all expenditure, grants, fees and charges and other revenue sources, borrowings and reserve movements have been considered. This includes \$207,979 of anticipated interim rates and \$51,496 of known rates concessions.

As part of the annual budget process, Council must determine the general rate in the dollar and minimum payments for the 2024/2025 financial year. Council applies the differential rating methodology, whereby properties are grouped and rated based on zoning or land use (or a combination) specifically determined by Council. The overall objective for the 2024/2025 differential rating approach is to ensure that the rates revenue required to balance the budget is collected on an equitable basis, enabling the Shire to provide facilities, infrastructure and services to the entire community.

The proposed 2024/2025 Rate in the Dollar and minimum payment for each rating category is as follows:

Differential Rate Category	Minimum Payment	Rate In The Dollar RID (Cents)
GRV – Residential	\$1,344	9.2478
GRV – Vacant	\$1,264	20.0813
GRV – Commercial	\$1,344	12.6712
GRV – Tourism	\$1,344	14.9846
UV – Commercial Rural	\$1,344	3.7704
UV – Mining	\$958	15.2538
UV – Rural	\$1,344	0.9019

The objects and reasons outline the justification behind each rating category. The objects and reasons were adopted at the OCM held 24 April 2024 and have not changed from the prior year.

### **Minimum Payments**

The setting of minimum payments within rating categories recognises that every property receives some minimum level of benefit from the Shire's works and services, which is shared by all properties regardless of size, value, and use.

The minimum rate for the Unimproved Value (**UV**) Mining and Gross Rental Value (**GRV**) Vacant categories are set at a lower level than the other rating categories to ensure less than 50% of the properties in these categories are on the minimum rate; this is required to comply with section 6.35 of the *Local Government Act 1995*.

### **Public notice**

At the OCM held 24 April 2024, Council resolved to invite submissions on the proposed differential rates and minimum payments. Public notice for these submissions was advertised on 1 May 2024, with notices placed on the Shire of Broome Administration Centre and Library noticeboards, Shire website, The West Australian and Broome Advertiser.

The Shire also wrote to the 23 properties in the Unimproved Value Commercial Rural rating category, inviting public comments on the proposed differential rates according to the Department of Local Government, Sport and Cultural Industries (**DLGSC**) requirement for rating categories with less than 30 ratepayers.

The rates model was updated to incorporate the new Unimproved Value valuations provided by the Valuer General's Office (**VGO**). At the OCM held 30 May 2024 approved the recommendation to seek Ministerial approval for the Shire's request to impose a differential general rate that exceeds twice the lowest rate in both the Unimproved Value and Gross Rental Value categories.

Following Ministerial advice, the proposed 2024/2025 differential rating model was readvertised for public comment on 26 June 2024, with a minimum 21-day submission period



as required by section 6.36 of the *Local Government Act 1995*. The notice was made public on the Shire's website, Facebook page, Administration Centre and Library noticeboards, and The West Australian newspaper.

During the re-advertised submission period, one submission was received by the Shire on 3 July 2024. The submission received was by a member of the public that was not able to be identified as a ratepayer or resident of the Shire. At the OCM held 25 July 2024, Council considered the submission and the Officer's response, and reaffirmed the endorsement of the proposed 2024/2025 Differential General Rates, Minimum Payments and Rating Objects and Reasons. Ministerial approval for the proposed differential rates was received on 14 August 2024 (Attachment 4).

**Instalment Interest, Penalty Interest and Other Administration Fees**

Under section 6.45 and 6.51 (1) of *Local Government Act 1995*, Council can charge interest on unpaid rates and rates paid on an approved instalment plan. The maximum interest rate for outstanding rates and other monies owed to Council is prescribed by Regulation 70 of the FMR and is currently 11%. Instalment interest is set at 5.5% as prescribed under FMR 68.

Under *Local Government (Financial Management) Regulations 1996 Regulation 67*, instalment charges are set to provide full or partial reimbursement of administration costs. The individual instalment transaction fee of \$11.50 is set to reflect the administration cost in handling the instalment options provided to ratepayers.

Alternative payment arrangements incur a \$57.00 fee to offset the administration costs (contained in the Schedule of Fees and Charges).

Due Dates for the Payment of Rates:

Instalment Option	Payment Due Date
<u>Full Payment</u>	10 October 2024
<u>Two Instalment Option</u>	
First instalment	10 October 2024
Second and final instalment	13 February 2025
<u>Four Payment Option</u>	
First instalment	10 October 2024
Second instalment	12 December 2024
Third instalment	13 February 2025
Fourth and final instalment	17 April 2025

Sections 6.45 and 6.50 of *Local Government Act 1995* specify the parameters when setting issue dates, due dates and time between instalment due dates. Ratepayers are given a minimum of 35 days to make their payment after the issue date indicated on the rate notice. Instalment due dates must be at least two months apart.

**Operating Grants**

Council have been awarded specific program grants, which enable Officers to implement targeted projects that address the unique needs and priorities of the Broome community as identified in the Strategic Community Plan and Corporate Business Plan, key examples being:

- Various Library Grants \$18,598;
- INPEX Broome Christmas Party \$20,000; and
- Kimberley Development Commission - A Remote Chance Program \$23,600.

Grants from external parties for the 2024/2025 budget include the following examples:

- Main Roads Maintenance Grant \$168,000;
- Main Roads Street Lighting Subsidy \$45,000;
- Department of Local Government, Sport and Cultural Industries grant for Broome Civic Centre \$70,000;
- Rio Tinto Youth development and programming \$60,000; and
- Gaming and Wagering Commission - Every Club Funding \$45,000.

The Commonwealth Financial Assistance Grant (FA Grant) program consists of two (2) components, in the 2024/2025 budget are a general component of \$1,429,840 and roads component of \$530,879. Council's 2024/2025 allocation is \$136,704 less than the 2023/2024 allocation.

An advance payment was received on 30 June 2023, representing a full 100% advance allocation of the 2023/2024 FA Grants. Subsequent communication with the WA Local Government Grants Commission revealed a miscalculation in this advance allocation, resulting in an excess payment of \$341,946. To correct this, the 2024/2025 allocation will be reduced by the overpaid amount. In response, the Council resolved in February 2024 to hold this additional funding in the Restricted Cash Reserve, with the intent of supporting the 2024/2025 annual budget.

### **Fees and Charges Revenue**

The 2024/2025 budget of \$11,400,517 has been impacted by increases in operating expenditures to deliver services. The increased contractor costs to the waste kerbside collection services have been affected in 2024/2025, and these are recovered on a cost recovery basis.

### **Interest Revenue**

The 2024/2025 budget includes interest income generated from cash held in term deposits, with \$800,000 expected from municipal funds and \$648,079 from reserve funds.

### **Other Revenue**

Reimbursements relating to the external use of Shire facilities including utilities, cleaning, insurance and security. Other reimbursements include legal and debt recovery, and paid parental leave. The 2024/2025 budget is \$1,316,967.

### **Employee Costs**

Employee costs in the 2024/2025 annual budget account for \$19,696,237. Key contributing factors include:

- Provision for the Shire's Enterprise Bargaining Agreements which are both due for renegotiation this financial year;
- Superannuation Guarantee contribution will rise by a further 0.5%, to 11.5% from July 2024;
- Worker's Compensation insurance and Training budgets are both estimated to increase as they are driven by salaries and wages;

- Employee costs include \$500,000 for staff housing rental, this is 100% recouped through the Fees and Charges revenue category; and
- 1.92 increase in Full Time Equivalent across the organisation, with the majority of costs offset by a mix of grants and increased revenue in their respective service areas.

The Annual Budget reflects the current organisational structure, and it is recommended that the Council authorise the CEO to adjust the structure as needed, provided total employee costs remain within the budget. This approach was effective in 2023/2024 and will continue to offer flexibility in addressing staffing issues while ensuring costs do not exceed the approved budget. Any structural changes will be reported to the Council through the quarterly Finance and Costing Review process.

### **Materials and Contracts**

The materials and contracts budget for 2024/2025 is \$13,704,706, being a \$1,021,470 reduction to last year's budget. This includes \$1,466,510 of projects carried over from the 2023/2024 budget.

Some notable changes include:

- Increased costs of materials and contractors due to inflation and other economic influences. The Gross Rental Value (**GRV**) triennial revaluations will be carried out this year. Kerbside refuse and recycling collections have increased and are fully cost recovered.
- Reduction in waste site concrete crushing due to timing factors; 2023/2024 one-off operating projects including the Local Planning Scheme and Local Planning Strategy Review, Civic minor asset replacement (grant funded) and Sanctuary Road detailed design (grant funded).
- 2024/2025 one-off operating projects include State of the Environment Report, and review of the Coastal Hazard Risk Management and Adaptation Plan (**CHRMAP**).

### **Utilities**

The 2024/2025 budget includes a \$408,925 increase above the 2023/2024 budget and encompasses a 4% CPI increase across most power and water services, including the newly implemented non-potable water agreement for Broome Recreation and Aquatic Centre (**BRAC**) ovals. The installation of solar panels at the Broome Recreation and Aquatic Centre last year has seen a saving to power costs at the facility.

### **Insurance**

Insurance expense has been budgeted at \$867,944, an overall 7% increase on the actual insurance premiums charged in 2023/2024. The estimate includes new assets built since the last premiums were set, vehicles and plant that have been changed over and assumptions on components of insurance. Insurance components include property, motor vehicle, liability, cyber and cargo, and the premium increases vary between each component. Actual insurance premiums are advised after setting the budget.

**Elected Members Sitting Fees 2024/2025**

<b>Fee - Allowance</b>	<b>2023/2024</b>	<b>2024/2025 Proposed</b>	<b>Maximum Limit</b>	<b>% of Maximum</b>
Sitting Fee – President	\$32,410	\$33,706	\$33,706	100%
Sitting Fee – (x 8 Councillors)	\$24,170	\$25,137	\$25,137	100%
Allowance – President	\$65,915	\$68,552	\$68,552	100%
Allowance – Deputy President	\$16,479	\$17,138	\$17,138	100%
ICT Allowance – (x 9 Councillors)	\$3,500	\$3,500	\$3,500	100%
Travel Allowance – (x 9 Councillors)	\$100	\$100	\$100	100%

Elected Member fees and allowances are reviewed and set annually by the Salaries and Allowances Tribunal. An increase of 4% has been determined for the 2024/2025 financial year. The ICT and Travel annual allowances have not increased.

The Shire of Broome is classified as a Band 2 local government. Council is to determine the level of remuneration within the appropriate band, but must be no less than the minimum, and no more than the maximum, within the band. The remuneration ranges provide flexibility to local governments to set remuneration within the allocated Band. It is recommended that the proposed Councillor sitting fees, President and Deputy President allowances, and ICT and Travel allowances remain at 100% of the maximum allowable limit for 2024/2025.

The proposed fees recognise the time commitment required of elected members, which includes Council and Committee meetings, meeting preparation, training and correspondence.

The total of proposed Councillor Sitting Fees and Allowances paid for 2024/2025 is \$352,892.

**Capital Expenditure**

A total capital program of \$26,624,725 is proposed for the 2024/2025 financial year, including \$20,777,867 projects carried forward from 2023/2024.

A full list is contained in the Schedule of Capital Expenditure attached to the Annual Budget, including a breakdown of how projects are funded.

It is worth noting that many of these large value projects have been made possible through the support of external funding:

<b>Capital Projects</b>	<b>Cost</b>	<b>Funding Type</b>
Furniture and Equipment	\$123,926	Municipal
Plant and Equipment	\$2,809,770	Reserves, Sale Proceeds, Municipal
Drainage	\$10,000	Municipal
Footpaths and Carparks	\$806,689	Grants, Reserves, Municipal
Other Infrastructure	\$186,255	Reserves, Municipal
Recreation Areas	\$14,031,278	Grants, Reserves, Borrowings, Municipal
Buildings	\$5,426,685	Grants, Reserves, Borrowings, Municipal
Roads	\$3,230,122	Grants, Municipal
<b>Total</b>	<b>\$26,624,725</b>	

### **Capital Grant Funding**

External capital grant funding and contributions total \$10,794,394, including \$1,620,000 of new grant funding and \$9,174,394 confirmed 2023/2024 grant funding. Officers have worked hard and continue to leverage Council funds to attract grant funding for the following significant projects:

- Roads \$1,941,450
  - Roads to Recovery - Frederick Street Roundabout \$600,000.
  - Regional Road Group - Frederick Street Roundabout \$880,000.
  - State Blackspot – Fairway Drive, De Marchi \$211,450.
  - Main Roads - Frederick Street Carpark \$250,000.
- Cable Beach Stage 1 \$8,469,010.
  - Preparing Australian Communities Coastal Protection \$3,960,000.
  - Building Better Regions Fund \$2,938,744.
  - Lottery West \$961,324.
  - Local Roads and Community Infrastructure (Phase 4) \$608,942.
- BRAC
  - Disaster Ready Fund \$110,000.
  - WA Football Commission – Medland Pavilion upgrade \$60,000.
- Sanctuary Road Headworks
  - Department of Planning, Lands and Heritages - \$213,934.

### **Borrowings**

Borrowings of \$3,963,081 approved by Council in 2023/2024, supporting the development of Cable Beach Stage 1 (\$997,717) and Shire residential houses (\$2,965,364).

### **Cash Reserve movements**

Cash Reserves hold funds which have been quarantined for specific projects, both long and short-term. The budgeted 2024/2025 reserve movements include:

- \$206,535 will be drawn upon for new capital projects, primarily the subdivisional footpath program;

- \$4,079,387 will be drawn upon for carried forward capital projects, particularly the Cable Beach Stage 1 redevelopment;
- \$1,281,798 will be drawn upon for operating projects;
- \$3,586,838 will be quarantined to specified Reserve accounts for asset renewal in future years, aligning with the Asset Management Plans; and
- \$648,079 is interest earnings on the Reserve funds, to be distributed across the respective Reserves.

### **Estimated Closing Position on 30 June 2024**

An estimated closing position of \$4,128,020 is anticipated to be brought forward from 30 June 2024. The final (surplus/deficit) position will be confirmed through the external financial audit process and any required adjustments will be presented to Council at that time.

A full list of projects carried forward and funding sources are included in the "Schedule of 2023/2024 Proposed Carried Forward Projects" attached to the Annual Budget.

### **Schedule of Fees and Charges**

The 2024/2025 Schedule of Fees and Charges was adopted at the OCM held 27 June 2024. No submissions were received during the notice period.

One change is required, a new statutory fee has replaced an old Council fee. The Pool Barrier Inspection and Certificate fee is now \$312 (row 873), covering all inspections until compliance. This new fee, mandated by Sub-regulation 53A(2) of the Building Regulations, replaces the previous Council fee of \$64.30 (row 878), which is no longer needed.

### **Materiality in Financial Reporting**

The Shire has several thresholds on financial reporting as follows:

- a) Asset capitalisation threshold of \$5,000;
- b) Reporting variances in the monthly statement of financial activity by nature classification, that are greater than \$10,000 for operating types and \$20,000 for capital types, or 10%, whichever is higher (setting materiality thresholds are a requirement under *Local Government (Financial Management) Regulations 1996 Regulation 34(5)*);
- c) Identifying and addressing over and underachievement of the Budget on a general ledger account or job code level for the quarterly FACRs that are identified as permanent variances greater than \$5,000 for operating and \$10,000 for capital (revenue and expenditure); and
- d) The tolerable organisational deficit of 1% of operating revenues, being \$458,810 for 2024/2025. This considers the aggregate impact of individual variances across the entire budget, and being more than twice the risk matrix financial impact threshold of \$150,000, places it beyond the extreme level. As per the risk matrix, the remedial outcome when the overall deficit is expected to exceed the \$150,000 risk matrix threshold, is immediate intervention to reduce the deficit.

### **CONSULTATION**

Community consultation and engagement have previously occurred during the development of the Strategic Community Plan and Corporate Business Plan which informed the Draft Budget. The proposed differential rates were advertised in the West Australian on 1 May 2024, the Broome Advertiser on 2 May 2024, and direct correspondences were made

to ratepayers within the Unimproved Value Commercial Rural rating category. Re-advertising occurred on 26 June 2024 in the West Australian, and through the Shire's Facebook, website, and notice boards.

Work commenced on the 2024/2025 annual budget in December 2023, initiated by the endorsement of the 2024 - 2028 Corporate Business Plan and updated Long-Term Financial Plan. Officers contributed to the development of the annual budget through supporting schedules, reviewed at each stage through Executive. Budget Workshops were held with Councillors on:

<b>Council Agenda Briefing and Workshops Dates</b>	<b>Purpose</b>	<b>Councillor Attendance</b>
29 November 2023	Finalised Corporate Business Plan and 4 Year Balanced Long Term Financial Plan	Cr. Mitchell, Cr. Male, Cr. Lewis, Cr. Mamid, Cr. Smith, Cr. Virgo
14 March 2024	Draft Fees and Charges and Operating Budget (including Infrastructure Resource Budgets)	Cr. Mitchell, Cr. Male, Cr. Lewis, Cr. Matsumoto, Cr. Smith, Cr. Taylor, Cr. Virgo
4 April 2024	Capital Budget and Project Briefs, including Plant Replacement	Cr. Mitchell, Cr. Male, Cr. Lewis, Cr. Mamid, Cr. Smith, Cr. Taylor, Cr. Virgo
9 April 2024	Council Rates Workshop	Cr. Mitchell, Cr. Male, Cr. Lewis, Cr. Mamid, Cr. Smith, Cr. Taylor, Cr. Virgo, Cr. Cooper

The Department of Local Government, Sport and Cultural Industries and Western Australia Local Government Grants Commission have also been consulted at various stages throughout the budget process.

**STATUTORY ENVIRONMENT**

- Local Government Act 1995, s 6.2**      *Local government to prepare Annual Budget*
- Local Government Act 1995, s 1.7**      *Local Public Notice*
- Local Government Act 1995, s 6.13**      *Interest on money owing to Local Governments*
- Local Government Act 1995, s 6.16**      *Imposition of Fees And Charges*
- Local Government Act 1995, s 6.17**      *Setting level of Fees And Charges*
- Local Government Act 1995, s 6.19**      *Local government to give notice of Fees and Charges*
- Local Government Act 1995, s 6.28**      *Basis of Rates*
- Local Government Act 1995, s 6.32**      *Rates and Service Charges*
- Local Government Act 1995, s 6.34**      *Limit on Revenue or Income from General Rates*
- Local Government Act 1995, s 6.35**      *Minimum Payment*
- Local Government Act 1995, s 6.36**      *Local Government to give notice of Certain Rates*
- Local Government Act 1995, s 6.47**      *Concessions*

**Local Government (Financial Management) Regulations 1996 s 6.12***Annual Budget*

*Local Government Regulations Amendment Regulations 2023 – gazetted 30 June 2023, effective 1 July 2023. The statutory annual budget complies with the amendments.*

**Local Government (Financial Management) Regulations 1996, Regulation 5A**

*Local governments to comply with AAS. Subject to Regulation 4, the annual Budget, annual financial report and other financial reports of a local government must comply with the AAS.*

**Waste Avoidance and Resource Recovery Act 2007, s 67**

*Local government may impose receptacle charge.*

**Waste Avoidance and Resource Recovery Act 2007, s 68**

*Fees and charges fixed by local government.*

**Building Regulations 2012 s 53A (2)**

*Initial inspection of safety barrier to new swimming pools.*

**Building Regulations 2012 s 53A (3)**

*Charges imposed for ongoing safety barrier inspections.*

**POLICY IMPLICATIONS**

Shire of Broome Council Policy – Rating.

Shire of Broome Council Policy - Financial Hardship.

**FINANCIAL IMPLICATIONS**

The Budget is the primary financial plan for the 2024/2025 financial year. The intention is to balance the Budget such that revenues match all expenditures. The specific financial implications are as outlined in the comment section of this report, and detailed in the 2024/2025 draft budget attached for adoption.

**RISK**

Moderate risk of negative public perception is likely if the Council does not adopt the annual Budget.

Potential major reduction in the quality of assets provided and services delivered likely if the rates and the annual Budget are not adopted. Cash flow and operations are affected by delays in issuing and collecting rates.

Risk of failing to meet statutory compliance for adopting the annual budget within the prescribed timeframe.

**STRATEGIC ASPIRATIONS**

**Performance**    **We will deliver excellent governance, service & value for everyone.**

**Outcome 13**    **Value for money from rates and long term financial sustainability**

**Objective**      13.1 Plan effectively for short- and long-term financial sustainability



**VOTING REQUIREMENTS***Absolute Majority***REPORT RECOMMENDATION 1:****(ABSOLUTE MAJORITY)***That Council:*

1. Under section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, adopts the 2024/2025 Annual Budget for the Shire of Broome as presented in Attachment 1, which includes the following:
  - (i) Statement of Comprehensive Income by Nature showing a net result of \$1,495,764;
  - (ii) Statement of Cash Flows presenting cash and cash equivalents as \$40,774,360;
  - (iii) Statement of Financial Activity showing an amount required to be raised from rates of \$28,649,409;
  - (iv) Notes to the Annual Budget;
  - (v) Schedules including Capital projects, plant and equipment purchases, disposals, and carried forward projects; and
  - (vi) Transfers to and from Reserve Accounts as detailed within Note 9.
2. Notes that the total employee costs contained in the Annual Budget is based on the current organisational structure and authorises the Chief Executive Officer discretion to adjust the organisational structure as required provided that adjustments remain within the total employee cost contained in the approved Annual Budget.

REPORT RECOMMENDATION 2:

**(ABSOLUTE MAJORITY)**

That Council:

1. Under section 6.13 of the Local Government Act 1995 adopts a rate of interest of 11% applicable to any amount of money owing to the local government (other than rates or service charges).
2. Under sections 6.32, 6.33 and 6.35 of the Local Government Act 1995 imposes the following differential rates and minimum payments for the 2024/25 financial year:

<b>Differential Rate Category</b>	<b>Minimum Payment</b>	<b>Rate in the Dollar (Cents)</b>
GRV – Residential	\$1,344	9.2478
GRV – Vacant	\$1,264	20.0813
GRV – Commercial	\$1,344	12.6712
GRV – Tourism	\$1,344	14.9846
UV – Commercial Rural	\$1,344	3.7704
UV – Mining	\$958	15.2538
UV – Rural	\$1,344	0.9019

3. Under section 6.45 of the Local Government Act 1995 and Regulation 64(2) of the Local Government (Financial Management) Regulations 1996, nominates the following due dates for the payment of rates in full and by instalments:

<b>Instalment Option</b>	<b>Payment Due Date</b>
Full payment due date	10 October 2024
<b>Two Payment Option</b>	
1 <sup>st</sup> instalment due date	10 October 2024
2 <sup>nd</sup> instalment due date	13 February 2025
<b>4 Instalments Option</b>	
1 <sup>st</sup> instalment due date	10 October 2024
2 <sup>nd</sup> instalment due date	12 December 2024
3 <sup>rd</sup> instalment due date	13 February 2025
4 <sup>th</sup> instalment due date	17 April 2025

4. Under section 6.45 of the Local Government Act 1995 and Regulation 67 of the Local Government (Financial Management) Regulations 1996, adopts an instalment administration charge where the ratepayer has elected to pay rates and charges through an instalment option of \$11.50 for each instalment after the initial instalment is paid.

5. *Under section 6.45 of the Local Government Act 1995 and Regulation 68 of the Local Government (Financial Management) Regulations 1996, adopts an interest rate of 5.50% where the ratepayer has elected to pay rates and charges through an instalment option.*
6. *Under section 6.51 (1) and section 6.51 (4) of the Local Government Act 1995 and Regulation 70 of the Local Government (Financial Management) Regulations 1996, adopts an interest rate of 11.00% for rates and charges and cost of proceedings to recover such charges that remains unpaid after becoming due and payable.*

**RECOMMENDATION 3:**

**(ABSOLUTE MAJORITY)**

That Council:

- Under sections 5.98 and 5.99 of the Local Government Act 1995 adopts the following annual amounts for elected member sitting fees and allowances for 2024/2025 effective from 1 July 2024 (GST not applicable):

<b>Fee Allowance</b>	<b>Amount</b>
Sitting Fee – President	\$33,706
Sitting Fee – (x 8 Councillors)	\$25,137
Allowance – President	\$68,552
Allowance – Deputy President	\$17,138
ICT Allowance – (x 9 Councillors)	\$3,500
Travel Allowance – (x 9 Councillors)	\$100

- Endorses that all member sitting fees and allowances be paid monthly.

**RECOMMENDATION 4:**

**(ABSOLUTE MAJORITY)**

That Council:

- Under section 6.16 of the Local Government Act 1995, adopts the 2024/2025 Schedule of Fees and Charges in Attachment 3.

**RECOMMENDATION 5:**

**(ABSOLUTE MAJORITY)**

That Council:

- Under Regulation 34 (5) of the Local Government (Financial Management) Regulations 1996, adopt a level of \$10,000 for operating items and \$20,000 for capital items, or 10%, whichever is higher, when reporting material variances in the Statements of Financial Activity in 2024/2025.

**Attachments**

- 2024/2025 Shire of Broome Annual Budget
- 2024/2025 Objects and Reasons for the Differential Rates and Minimum Payments
- 2024/2025 Schedule of Fees and Charges
- 2024/2025 Ministerial Approval of Differential Rates

**SHIRE OF BROOME**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2025**

*LOCAL GOVERNMENT ACT 1995*

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**SHIRE'S VISION**

Broome - a future, for everyone.

**SHIRE OF BROOME  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2024/25 Budget	2023/24 Actual	2023/24 Budget
<b>Revenue</b>		\$	\$	\$
Rates	2(a)	28,649,409	26,585,004	26,561,200
Grants, subsidies and contributions		2,483,917	868,332	3,997,267
Fees and charges	14	11,400,517	9,976,325	10,948,496
Interest revenue	10(a)	1,781,275	3,000,733	1,273,202
Other revenue		1,316,967	1,572,961	1,275,664
		<u>45,632,085</u>	<u>42,003,355</u>	<u>44,055,829</u>
<b>Expenses</b>				
Employee costs		(19,696,237)	(17,318,111)	(18,520,106)
Materials and contracts		(13,704,706)	(11,247,271)	(14,726,176)
Utility charges		(2,652,461)	(2,386,390)	(2,243,536)
Depreciation	6	(16,009,575)	(15,690,909)	(15,510,953)
Finance costs	10(d)	(450,931)	(279,978)	(279,008)
Insurance		(867,944)	(807,532)	(879,464)
Other expenditure		(1,586,394)	(1,428,613)	(1,763,771)
		<u>(54,968,248)</u>	<u>(49,158,804)</u>	<u>(53,923,014)</u>
		(9,336,163)	(7,155,449)	(9,867,185)
Capital grants, subsidies and contributions		10,794,394	6,535,114	10,650,596
Profit on asset disposals	5	248,908	94,645	103,734
Loss on asset disposals	5	(211,375)	(100,920)	(57,034)
		<u>10,831,927</u>	<u>6,528,839</u>	<u>10,697,296</u>
<b>Net result for the period</b>		<b>1,495,764</b>	<b>(626,610)</b>	<b>830,111</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	0	0
Share of comprehensive income of associates accounted for using the equity method		0	0	0
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>1,495,764</b>	<b>(626,610)</b>	<b>830,111</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 2025**

	Note	2024/25 Budget	2023/24 Actual	2023/24 Budget
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		\$ 29,018,838	\$ 26,143,394	\$ 26,561,200
Grants, subsidies and contributions		2,483,917	955,434	3,997,267
Fees and charges		11,400,517	9,976,325	10,948,496
Interest revenue		1,781,275	3,000,733	1,273,202
Goods and services tax received		1,408,736	1,631,334	0
Other revenue		1,316,967	1,572,961	1,275,664
		<u>47,410,250</u>	<u>43,280,181</u>	<u>44,055,829</u>
<b>Payments</b>				
Employee costs		(19,696,237)	(17,318,111)	(18,520,106)
Materials and contracts		(13,909,706)	(11,247,271)	(14,726,176)
Utility charges		(2,652,461)	(2,386,390)	(2,243,536)
Finance costs		(450,931)	(279,978)	(279,008)
Insurance paid		(867,944)	(807,532)	(879,464)
Goods and services tax paid		(1,408,736)	(1,390,100)	0
Other expenditure		(1,586,394)	(1,428,613)	(1,763,771)
		<u>(40,572,409)</u>	<u>(34,857,995)</u>	<u>(38,412,061)</u>
<b>Net cash provided by operating activities</b>	4	6,837,841	8,422,186	5,643,768
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	5(a)	(8,360,381)	(4,215,840)	(5,768,713)
Payments for construction of infrastructure	5(b)	(18,264,344)	(9,595,508)	(20,506,044)
Capital grants, subsidies and contributions		6,700,531	5,139,521	10,650,596
Proceeds from sale of property, plant and equipment	5(a)	729,394	494,745	718,644
Proceeds on financial assets at amortised cost - self supporting loans	7(a)	96,154	96,154	96,154
<b>Net cash (used in) investing activities</b>		<u>(19,098,646)</u>	<u>(8,080,928)</u>	<u>(14,809,363)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	7(a)	(955,389)	(551,032)	(551,027)
Payments for principal portion of lease liabilities	8	(137,144)	(102,858)	0
Proceeds from new borrowings	7(a)	3,963,081	0	2,350,507
<b>Net cash provided by (used in) financing activities</b>		<u>2,870,548</u>	<u>(653,890)</u>	<u>1,799,480</u>
<b>Net (decrease) in cash held</b>		<u>(9,390,257)</u>	<u>(312,632)</u>	<u>(7,366,115)</u>
Cash at beginning of year		50,164,617	50,477,249	47,236,454
<b>Cash and cash equivalents at the end of the year</b>	4	<u><b>40,774,360</b></u>	<u><b>50,164,617</b></u>	<u><b>39,870,339</b></u>

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

**SHIRE OF BROOME**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**OPERATING ACTIVITIES**

**Revenue from operating activities**

	Note	2024/25 Budget	2023/24 Actual	2023/24 Budget
General rates	2(a)	\$ 28,649,409	\$ 26,585,004	\$ 26,561,200
Grants, subsidies and contributions		2,483,917	868,332	3,997,267
Fees and charges	14	11,400,517	9,976,325	10,948,496
Interest revenue	10(a)	1,781,275	3,000,733	1,273,202
Other revenue		1,316,967	1,572,961	1,275,664
Profit on asset disposals	5	248,908	94,645	103,734
		<b>45,880,993</b>	<b>42,098,000</b>	<b>44,159,563</b>

**Expenditure from operating activities**

Employee costs		(19,696,237)	(17,318,111)	(18,520,106)
Materials and contracts		(13,704,706)	(11,247,271)	(14,726,176)
Utility charges		(2,652,461)	(2,386,390)	(2,243,536)
Depreciation	6	(16,009,575)	(15,690,909)	(15,510,953)
Finance costs	10(d)	(450,931)	(279,978)	(279,008)
Insurance		(867,944)	(807,532)	(879,464)
Other expenditure		(1,586,394)	(1,428,613)	(1,763,771)
Loss on asset disposals	5	(211,375)	(100,920)	(57,034)
		<b>(55,179,623)</b>	<b>(49,259,724)</b>	<b>(53,980,048)</b>

Non cash amounts excluded from operating activities

	3(c)	15,972,042	15,697,184	15,497,961
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**Amount attributable to operating activities**

**6,673,412**      **8,535,460**      **5,677,476**

**INVESTING ACTIVITIES**

**Inflows from investing activities**

Capital grants, subsidies and contributions		10,794,394	6,535,114	10,650,596
Proceeds from disposal of assets	5	729,394	494,745	718,644
Proceeds from financial assets at amortised cost - self supporting loans	7(a)	96,154	96,154	96,154
		<b>11,619,942</b>	<b>7,126,013</b>	<b>11,465,394</b>

**Outflows from investing activities**

Right of use assets recognised	5(c)	0	(468,527)	0
Payments for property, plant and equipment	5(a)	(8,360,381)	(4,215,840)	(5,768,713)
Payments for construction of infrastructure	5(b)	(18,264,344)	(9,595,508)	(20,506,044)
		<b>(26,624,725)</b>	<b>(14,279,875)</b>	<b>(26,274,757)</b>

Non-cash amounts excluded from investing activities

	3(d)	0	468,527	0
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**Amount attributable to investing activities**

**(15,004,783)**      **(6,685,335)**      **(14,809,363)**

**FINANCING ACTIVITIES**

**Inflows from financing activities**

Proceeds from new borrowings	7(a)	3,963,081	0	2,350,507
Leases liabilities recognised	8	0	468,527	0
Transfers from reserve accounts	9(a)	5,567,720	3,232,628	6,130,711
		<b>9,530,801</b>	<b>3,701,155</b>	<b>8,481,218</b>

**Outflows from financing activities**

Repayment of borrowings	7(a)	(955,389)	(551,032)	(551,027)
Payments for principal portion of lease liabilities	8	(137,144)	(102,858)	0
Transfers to reserve accounts	9(a)	(4,234,917)	(8,085,951)	(4,445,042)
		<b>(5,327,450)</b>	<b>(8,739,841)</b>	<b>(4,996,069)</b>

Non-cash amounts excluded from financing activities

	3(e)	0	(468,527)	0
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**Amount attributable to financing activities**

**4,203,351**      **(5,507,213)**      **3,485,149**

**MOVEMENT IN SURPLUS OR DEFICIT**

<b>Surplus at the start of the financial year</b>	3	4,128,020	7,785,108	5,646,738
Amount attributable to operating activities		6,673,412	8,535,460	5,677,476
Amount attributable to investing activities		(15,004,783)	(6,685,335)	(14,809,363)
Amount attributable to financing activities		4,203,351	(5,507,213)	3,485,149
<b>Surplus/(deficit) remaining after the imposition of general rates</b>	3	<b>0</b>	<b>4,128,020</b>	<b>0</b>

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



**SHIRE OF BROOME  
FOR THE YEAR ENDED 30 JUNE 2025  
INDEX OF NOTES TO THE BUDGET**

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**6. MEETING CLOSED TO PUBLIC**

**7. MEETING CLOSURE**