



# **UNCONFIRMED MINUTES**

**OF THE**

**AUDIT AND RISK COMMITTEE MEETING**

**18 FEBRUARY 2025**

These minutes were confirmed at a meeting held and signed below by the Presiding Person, at the meeting these minutes were confirmed.

Signed:

**SHIRE OF BROOME**  
**AUDIT AND RISK COMMITTEE MEETING**  
**TUESDAY 18 FEBRUARY 2025**  
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**MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING OF THE SHIRE OF BROOME,  
HELD IN THE COUNCIL CHAMBERS, CORNER WELD AND HAAS STREETS, BROOME,  
ON TUESDAY 18 FEBRUARY 2025, COMMENCING AT 2:30PM.**

**1. OFFICIAL OPENING**

The Chair welcomed Councillors and officers and declared the meeting open at 2:38 PM

**2. ATTENDANCE AND APOLOGIES**

**ATTENDANCE**

<b>Members:</b>	Cr D Male Shire President C Mitchell Cr M Virgo Cr P Taylor	Chair, Deputy Shire President Member (via Teams)  Member Deputy Member
<b>Apologies:</b>	Nil	
<b>Leave of Absence:</b>	Nil	
<b>Officers:</b>	Mr S Mastrolembo Mr J Watt Mr J Hall Ms N Roukens  Ms R Doyle	Chief Executive Officer Director Corporate Services Director Infrastructure Acting Director Development & Community Manager Governance Strategy and Risk

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

Committee Member	Item No	Item	Nature of Interest
Cr M Virgo	5.2	2 <sup>nd</sup> Quarter Finance and Costing Review 2024-25	Financial "I am an employee of the Broome Visitor Centre"

**4. CONFIRMATION OF MINUTES**

**COMMITTEE RESOLUTION:**

**Minute No. AR/0225/001**

**Moved: Shire President C Mitchell**

**Seconded: Cr M Virgo**

***That the Minutes of the Audit and Risk Committee held on 10 December 2024, as published and circulated, be confirmed as a true and accurate record of that meeting.***

**CARRIED UNANIMOUSLY 3/0**

## 5. REPORTS OF OFFICERS

### 5.1 COMPLIANCE AUDIT RETURN 2024

LOCATION/ADDRESS:	Nil
APPLICANT:	Nil
FILE:	LCR02
AUTHOR:	Manager Governance, Strategy And Risk
CONTRIBUTOR/S:	Nil
RESPONSIBLE OFFICER:	Director Corporate Services
DISCLOSURE OF INTEREST:	Nil

#### SUMMARY:

The Department of Local Government, Sport and Cultural Industries (**DLGSC**) requires the Shire of Broome (**Shire**) to complete a Compliance Audit Return (**CAR**) annually. The Audit and Risk Committee (ARC) is requested to recommend that Council adopt the attached CAR for the period of 1 January 2024 to 31 December 2024 (**Attachment 1**) for submission to the Department of Local Government, Sport and Cultural Industries (DLGSC) by 31 March 2024.

## BACKGROUND

### Previous Considerations

ARC 20 February 2024                      Item 5.1

Local governments are required to complete an annual compliance audit for the previous calendar year by the 31 March. The DLGSC provides the questions each year with the compliance audit being an in-house self-audit that is undertaken by the appropriate responsible officer.

Section 7.13(i) of the *Local Government Act 1995*, and Regulations 13, 14 and 15 of the *Local Government (Audit) Regulations 1996*, outline the requirements for completion of the CAR.

Regulation 14 of the *Local Government (Audit) Regulations 1996* requires the Audit and Risk Committee (ARC) to review the CAR and report to Council the results of that review. The CAR is to be:

1. presented to an Ordinary Meeting of Council;
2. adopted by Council; and
3. recorded in the minutes of the meeting at which it is adopted.

Following the adoption by Council of the CAR, a certified copy of the return, along with the relevant section of the minutes and any additional information detailing the contents of the return are to be submitted to the DLGSC by 31 March 2025.

The return requires the Shire President and the Chief Executive Officer to certify that the statutory obligations of the Shire of Broome have been complied with.

## COMMENT



The DLGSC continues to focus on high risk areas of compliance and statutory reporting as prescribed in Regulation 13 of the *Local Government (Audit) Regulations 1996*.

The CAR for the period 1 January to 31 December 2024 comprises a total of 94 questions. The questions are the same as the previous year. The key focus areas covered in the CAR are as follows:

Focus Area	2024 Questions
Commercial Enterprises by Local Governments	5
Delegation of Power/Duty	13
Disclosure of Interest	25
Disposal of Property	2
Elections	3
Finance	7
Integrated Planning and Reporting	3
Local Government Employees	5
Official Conduct	4
Optional Questions	9
Tenders for Providing Goods and Services	22
<b>Total</b>	<b>94</b>

During 2024, responsible officers monitored compliance in each of the focus areas through the Shire's cloud-based compliance system, Attain. This has continued an increased awareness of compliance obligations within the Shire and allowed the capture of compliance evidence in a central repository. This compliance system reduces the risk of non-compliance and streamlines compilation of the annual return.

A compliance rating of 98% has been achieved for 2024 with one minor non-compliance identified in the optional questions area as follows:

Focus Area	Question	Comments
Optional Questions	Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include their information required by section 5.87C of the Act?	One gift was received 09/08/2024 and disclosed as per 5.87C(1) and (3) of the <i>Local Government Act 1995</i> , however the gift was not disclosed until 19/09/2024 as per 5.87C(2).

The Shire will focus on the requirements pertaining to gift disclosures for both staff and elected members to ensure that these requirements are well understood going forward.

The CAR result continues the Shire's strong history of compliance with the requirements of the *Local Government Act (1995)*, with minimal non compliances reported over the last 5 years and none of a significant risk nature.

It is important to emphasise that the CAR is limited in scope.

Local Governments must also adhere to more than 200 additional legislative instruments, encompassing a broad range of areas such as governance, planning, environmental management, public health, and financial accountability. These laws collectively regulate various aspects of local government operations, ensuring compliance with state and federal requirements.

## CONSULTATION

Department of Local Government, Sport and Cultural Industries.

## STATUTORY ENVIRONMENT

### **Local Government Act 1995**

#### **7.13 Regulations as to audit**

- (1) Regulations may make provision as follows —
  - (i) – requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are —
    - (i) of a financial nature or not; or
    - (ii) under this Act or another written law.

### **Local Government (Audit) Regulations 1996**

#### **13. Prescribed statutory requirements for which compliance audit needed (Act s. 7.13(1)(i))**

For the purposes of section 7.13(1)(i) the statutory requirements set forth in the Table to this regulation are prescribed.

#### **14. Compliance audits by local governments**

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.
- (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —
  - (a) presented to the council at a meeting of the council; and
  - (b) adopted by the council; and
  - (c) recorded in the minutes of the meeting at which it is adopted.

#### **15. Compliance audit return, certified copy of etc. to be given to Departmental CEO**

- (1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —
  - (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
  - (b) any additional information explaining or qualifying the compliance audit,

is to be submitted to the Departmental CEO by 31 March next following the period to which the return relates.

**POLICY IMPLICATIONS**

Nil.

**FINANCIAL IMPLICATIONS**

Nil.

**RISK**

There is a reputational risk with the DLGSC should the CAR not be completed on time or if significant non compliances are reported.

The likelihood of this occurring is rare.

**STRATEGIC ASPIRATIONS**

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

**Outcome 11 - Effective leadership, advocacy and governance**

**Objective** 11.2 Deliver best practice governance and risk management.

**VOTING REQUIREMENTS**

*Simple Majority*

**COMMITTEE RESOLUTION:**

**(REPORT RECOMMENDATION)**

**Minute No. AR/0225/002**

**Moved: Shire President C Mitchell**

**Seconded: Cr M Virgo**

***That the Audit and Risk Committee recommends that Council:***

- 1. Accepts the attached 2024 Compliance Audit Return as contained in Attachment 1.***
- 2. Authorises the Shire President and the Chief Executive Officer to certify the 2024 Compliance Audit Return in Attachment 1 and provide to the Department of Local Government Sport and Cultural Industries by 31 March 2025.***

**CARRIED UNANIMOUSLY 3/0**

**Attachments**

1. 2024 Compliance Audit Return



## Compliance Audit Return

## The Shire of Broome - Compliance Audit Return

## Certified Copy of Return

Please submit a signed copy to the Department of Local Government, Sport and Cultural Industries together with a copy of the relevant minutes.

Delegation of Power / Duty			
Respondent		Renaë Doyle, Manager Governance, Strategy & Risk	
No	Question	Response	Comment
1	1. s5.16 (1) - Were all delegations to committees resolved by absolute majority?	Yes	The Behavioural Complaints Committee established in 2021 is the only Committee with delegated authority. This was initially provided by Absolute Majority (Council resolution C/0422/017) and subsequently by Absolute Majority following the 2023 Ordinary Elections at the 16 November 2023 Ordinary Council Meeting (Council resolution C/1123/019).
2	2. s5.16 (2) - Were all delegations to committees in writing?	Yes	Provided at OMC 16 November 2023 - C/1123/019.
3	3. s5.17 - Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995?	Yes	Behavioural Complaints Committee has delegated authority through delegation 1.1.1 to, under Clause 12 and 13 of the Code of Conduct, deal with and / or dismiss a complaint. SAGO on behalf of MGSR.
4	4. s5.18 - Were all delegations to committees recorded in a register of delegations?	Yes	Behavioural Complaints Committee delegated authority contained within the Shire delegation register maintained in online Attain system. No exercise of delegation in 2024.
5	5. s5.18 - Has council reviewed delegations to its committees in the 2023/2024 financial year?	Yes	Reviewed and approved by Council at the 30 May 2024 OMC - Minute No. C/0524/073. SAGO on behalf of MGSR.
6	6. s5.42(1) & s5.43 Admin Reg 18G - Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995?	Yes	Delegations register aligned to WALGA Delegations register template. No delegations in breach of s5.43 of LGA or s214 of Planning and Development Act 2005 provided. SAGO on behalf of MGSR.
7	7. s5.42(1) - Were all delegations to the CEO resolved by an absolute majority?	Yes	Yes, Reviewed and approved by Council at the 30 May 2024 OMC - Minute No. C/0524/073 by Absolute Majority. SAGO on behalf of MGSR.



## Compliance Audit Return

No	Question	Response	Comment
8	8. S5.42(2) - Were all delegations to the CEO in writing?	Yes	Delegation register maintained in the cloud based Attain compliance system which provides electronic delivery of each delegation. SAGO on behalf of MGSR.
9	9. s5.44(2) - Were all delegations by the CEO to any employee in writing?	Yes	Delegation register maintained in the cloud based Attain compliance system which provides electronic delivery to each officer with delegation. SAGO on behalf of MGSR.
10	10 s.5.16(3)(b) & s5.45(1)(b) - Were all decisions by the Council to amend or revoke a delegation made by absolute majority?	Yes	No further decision to amend or revoke a delegation. SAGO on behalf of MGSR
11	11. s5.46(1) - Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes	Delegation register maintained in the Attain online compliance system. SAGO on behalf of MGSR.
12	12. s5.46(2) - Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2023/2024 financial year?	Yes	Reviewed and approved by Council at the 30 May 2024 OMC - Minute No. C/0524/073. SAGO on behalf of MGSR.
13	13. s.5.46(3), Admin Reg 19 - Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?	Yes	As far as can be ascertained. All delegations require delegate and/or sub delegate to maintain appropriate records in the Shire's Records Management System or in Attain. SAGO on behalf of MGSR.



## Compliance Audit Return

Disposal of Property			
Respondent		Infrastructure - Lara Blunt, Senior Property and Leasing Officer	
No	Question	Response	Comment
1	1. s3.58(3) - Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?	Yes	Yes, compliant. 20 Cable Beach Road East – Broome Enterprise Centre (Lessee – Aboriginal Interpreting WA) 5 year lease commencing 15/07/2024 with a further term of 5 year. Local Public Notice given via Shire of Broome website, Broome Advertiser, West Australian Newspaper, Social Media (Facebook).
2	2. s3.58(4) - Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58 (4) of the Act, in the required local public notice for each disposal of property?	Yes	Yes, compliant. 20 Cable Beach Road East – Local Public Notice given via Shire of Broome website, Broome Advertiser, West Australian Newspaper, Social Media (Facebook).

Tenders for Providing Goods and Services			
Respondent		Emma Hallen, Senior Procurement and Risk Officer	
No	Question	Response	Comment
1	1. F&G Reg 11A(1) & (3) Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes	Compliant.
2	2. s3.57 F&G Reg 11 - Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?	Yes	Compliant with the regulation. Any tender over \$250,000 that was not publicly published was in compliance with F&G Reg 11(2.)



## Compliance Audit Return

No	Question	Response	Comment
3	3. F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4) - When regulations 11(1), 12(2) or 13 of the Local Government Functions and General Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)?	Yes	Compliant.
4	4. F&G Reg 12 - Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?	Yes	Compliant.
5	5. F&G Reg 14(5) - If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation?	Yes	Compliant - all tenders are managed through VendorPanel. Any queries received through email are also posted to VendorPanel.
6	6. F&G Regs 15 & 16 - Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?	Yes	Compliant - Tenders were not opened unless in the presence of minimum 2 officers (SPRO and typically Project Manager) and after the deadline date. All details were posted to the Shire Website as soon as practicable after opening in the form of the Tender Register.
7	7. F&G Reg 17 - Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes	Compliant.
8	8. F&G Reg 18(1) - Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	Yes	By utilising VendorPanel for Tender publishing, potential respondents are unable to submit a response following the deadline.
9	9. F&G Reg 18(4) - Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes	Extensive evaluation in tender responses undertaken. Evaluations completed via VendorPanel using pre-determined evaluation matrix, accompanied by an Evaluation Report completed by the Project Manager prior to award of the Tender/Contract.



## Compliance Audit Return

No	Question	Response	Comment
10	10. F&G Reg 19 - Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes	Compliant.
11	11. F&G Regs 21 & 22 - Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?	Yes	Compliant.
12	12. F&G Reg 23(1) & (2) - Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	Yes	Compliant - one EOI (EOI24/05) was granted an extended open period to allow for an increased number of submissions.
13	13. F&G Reg 23(3) & (4)- Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	Yes	EOI's that were completed in 2024 were for the purpose of finding community members to engage in projects, disposal of lease and testing the market.
14	14. F&G Reg 24 - Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?	Yes	EOI24/05 is compliant. EOI24/01, EOI24/02, EOI24/03 and EOI24/04 were not compliant. Due to changes in Officers since June 2024, checks and procedures have been implemented to ensure compliance going forward.
15	15. F&G Regs 24AD(2) & (4) and 24AEDid the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions & General) Regulations 1996 regulations 24AD(4) and 24AE?	N/A	No panel of pre-qualified suppliers invited in the past 12 months.
16	16. F&G Reg 24AD(6) - If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A	No panel of pre-qualified suppliers invited in the past 12 months.





## Compliance Audit Return

No	Question	Response	Comment
17	17. F&G Reg 24AF - Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A	No panel of pre-qualified suppliers invited in the past 12 months.
18	18. F&G Reg 24AG Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?	N/A	No panel of pre-qualified suppliers invited in the past 12 months.
19	19. F&G Reg 24AH(1) - Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A	No panel of pre-qualified suppliers invited in the past 12 months.
20	20. F&G Reg 24AH(3) - Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A	No panel of pre-qualified suppliers invited in the past 12 months.
21	21. F&G Reg 24AI - Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A	No panel of pre-qualified suppliers invited in the past 12 months.
22	22. F&G Regs 24E & 24F - Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?	Yes	Compliant.



## Compliance Audit Return

Elections			
Respondent		Renaë Doyle, Manager Governance, Strategy & Risk	
No	Question	Response	Comment
1	1. Elect Regs 30G(1) & (2) - Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?	Yes	Yes, published 14 September 2023 - one gift disclosed.
2	2. Elect Regs 30G(3) & (4) - Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G (4) of the Local Government (Elections) Regulations 1997?	Yes	No, the only gift disclosed was from a successful candidate in 2023.
3	3. Elect Regs 30G(5) & (6) Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?	Yes	Yes, published 14 September 2023 - one gift disclosed.



## Compliance Audit Return

Commercial Enterprise by Local Governments			
Respondent		Alex Clarke-Hale	
No	Question	Response	Comment
1	1. s3.59(2)(a) F&G Regs 7,9,10 - Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2024?	Yes	No major trading undertaking considered by Council during 2024
2	2. s3.59(2)(b) F&G Regs 7,8A, 8, 10 - Has the local government prepared a business plan for each major land transaction that was not exempt in 2024?	Yes	Business Plan for the Provision of Key Worker Housing was endorsed by Council in February 2024 and subsequently advertised for public submissions for minimum of six weeks through to 17 April 2024.
3	3. s3.59(2)(c) F&G Regs 7,8A, 8,10 - Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2024?	Yes	Business Plan for the Provision of Key Worker Housing was endorsed by Council in February 2024 and subsequently advertised for public submissions for minimum of six weeks through to 17 April 2024.
4	4. s3.59(4) - Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2024?	Yes	Business Plan for the Provision of Key Worker Housing, seeking public comment, was advertised in the West Australian 06/03/2024, Broome Advertiser 07/03/2024, Shire website and Shire Administration Office.
5	5. s3.59(5) - During 2024, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	Yes	Council did not resolve to proceed with any land transaction or undertaking in 2024

Disclosure of Interest			
Respondent		Kristen Cookson, Senior Administration and Governance Officer	
No	Question	Response	Comment
1	1. s5.67 - Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes	Yes. Recorded in the minutes accordingly.



## Compliance Audit Return

No	Question	Response	Comment
2	2. s5.68(2) & s5.69(5) Admin Reg 21A Were all decisions regarding participation approval, including the extent of participation allowed & where relevant, the information required by Local Government (Administration) Regs 1996 reg 21A, recorded in minutes of the relevant council or committee meeting?	Yes	No participation approval required for any decisions.
3	3. s5.73 Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made?	Yes	All interest disclosures recorded in minutes, financial register and Synergy.
4	4. s5.75 Admin Reg 22, Form 2 - Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes	Yes, primary and annual returns recorded and managed in Attain.
5	5. s5.76 Admin Reg 23, Form 3 - Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2024?	Yes	All annual returns lodged and recorded in Attain.
6	6. s5.77 - On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes	Managed in the Attain system.
7	7. s5.88(1) & (2)(a) - Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995?	Yes	Managed in the Attain system.
8	8. s5.88(1) & (2)(b) Admin Reg 28 - Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in Local Government (Administration) Regulations 1996, regulation 28	Yes	Recorded in File GOC02 within Synergy.
9	9. s5.88(3) - When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person?	Yes	Managed in Attain system, removed from File GOC02 to GOC02.3 for retention of 5 years.



## Compliance Audit Return

No	Question	Response	Comment
10	10. s5.88(4) - Have all returns removed from the register in accordance with section 5.88 (3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes	Managed in Attain system.
11	11. s5.89A(1), (2) & (3) Admin Reg 28A - Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?	Yes	Yes, one gift disclosed for 2024 and register updated.
12	12. s5.89A(5) & (5A) - Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes	Yes, up to date on website
13	13. s5.89A(6) - When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove from the register all records relating to those people?	Yes	No gifts were disclosed for any people ceasing to be a person required to disclose.
14	14. - s5.89A(7) Have copies of all records removed from the register under section 5.89A(6) of the Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes	No records required to be removed.
15	15. s5.70(2) & (3) - Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes	Yes, recorded in minutes.
16	16. s5.71A & s5.71B(5) - Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	Yes	No gifts received.



## Compliance Audit Return

No	Question	Response	Comment
17	17. s5.71B(6) & s5.71B(7) - Was any decision made by the Minister under subsection 5.71B (6) of the Local Government Act 1995 recorded in the minutes of the council meeting at which the decision was considered?	Yes	No gifts received.
18	18. s5.104(1) - Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates that incorporates the model code of conduct?	Yes	Adopted OMC 29 April 2021. Resolution C/0421/009. Review adopted 16 November 2023 OMC Min C/1123/041
19	19. s5.104(3) & (4) - Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the Local Government Act 1995?	Yes	The Mandatory Code of Conduct as legislated was adopted without any additional requirements.
20	20. s5.104(7) - Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?	Yes	Published 3 May 2021 following adoption at the April Ordinary Meeting of Council and again 17 November 2023 following Council review.
21	21. s5.51A(1) & (3) - Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government? If yes, has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?	Yes	Code of Conduct for Employees was approved by the CEO 17 February 2021. Up to date version published on website.



## Compliance Audit Return

Integrated Planning and Reporting			
Respondent		Kristen Cookson, Senior Administration and Governance Officer	
No	Question	Response	Comment
1	1. Admin Reg 19C - Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Following recent reforms under Local Government Amendment Act 2023, combined Strategic Community Plan and Corporate Business Plan as a Council Plan adopted by Council as an Absolute Majority vote at OMC 12 Dec 2024 (Minute No C/1224/015)
2	2. Admin Reg 19DA(1) & (4) - Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Following recent reforms under Local Government Amendment Act 2023, combined Strategic Community Plan and Corporate Business Plan as a Council Plan adopted by Council as an Absolute Majority vote at OMC 12 Dec 2024 (Minute No C/1224/015)
3	3. Admin Reg 19DA(2) & (3) - Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?	Yes	Will be reviewed once every four years. Corporate Business Plan components will be reviewed annually.



## Compliance Audit Return

Local Government Employees			
Respondent		Catherine Tribble, Manager People & Culture	
No	Question	Response	Comment
1	1. s5.36(4) & s5.37(3) Admin Reg 18A - Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?	Yes	No senior employees recruited in 2024
2	2. Admin Reg 18E - Was all information provided in applications for the position of CEO true and accurate?	Yes	No CEO recruitment in 2024
3	3. Admin Reg 18F - Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995?	Yes	No CEO recruitment in 2024
4	4. s5.37(2) - Did the CEO inform council of each proposal to employ or dismiss senior employee?	Yes	No senior employees recruited in 2024
5	5. s5.37(2) - Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	Yes	No senior employees recruited in 2024



## Compliance Audit Return

Finance			
Respondent		Unassigned, Manager Financial Services	
No	Question	Response	Comment
1	1. s7.1A - Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995?	Yes	Follow Local Government Elections in October 2023, new Committee members were appointed at the 16 November 2023 OCM - Min C/1123/018
2	2. s7.1B - Where the council delegated to its audit committee any powers or duties under Part 7 of the Local Government Act 1995, did it do so by absolute majority?	Yes	The Audit and Risk Committee have no delegated authority.
3	3. s7.9(1) Was the auditor's report for the financial year ended 30 June 2024 received by the local government by 31 December 2024?	Yes	Adopted by Council at the 12 December 2024 OCM - Min C/1224/013
4	4. s7.12A(3) - Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes	There were no significant matters raised in the auditor's report requiring action.
5	5. s7.12A(4)(a) & (4)(b) - Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	Yes	There were no significant matters raised in the auditor's report requiring action. The Shire of Broome did not prepare a report for the Minister.
6	6. s7.12A(5) - Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website?	Yes	A report was not required.
7	7. Audit Reg 10(1) - Was the auditor's report for the financial year ending 30 June 2024 received by the local government within 30 days of completion of the audit?	Yes	The audit report was received from the Office of the Auditor General 9/12/2024 and was adopted by Council at the 12 December 2024 OCM - Min C/1224/013



## Compliance Audit Return

Official Conduct			
Respondent		Renaë Doyle, Manager Governance, Strategy & Risk	
No	Question	Response	Comment
1	1. s5.120 - Has the local government designated an employee to be its complaints officer?	Yes	The CEO is currently the complaints officer for the purposes of s5.37. SAGO on behalf of MGSR.
2	2. s5.121(1) & (2) - Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the Local Government Act 1995?	Yes	No complaints resulted in a finding under section 5.110(2)(a). SAGO on behalf of MGSR.
3	3. S5.121(2) - Does the complaints register include all information required by section 5.121(2) of the Local Government Act 1995?	Yes	No minor breaches have been substantiated that require recording in the complaints register. SAGO on behalf of MGSR.
4	4. s5.121(3) - Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes	No minor breaches have been substantiated that require online register to be published. SAGO on behalf of MGSR

Optional Questions			
Respondent		Kristen Cookson, Senior Administration and Governance Officer	
No	Question	Response	Comment
1	1. Financial Management Reg 5(2)(c) - Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three financial years prior to 31 December 2024?  If yes, please provide the date of council's resolution to accept the report.	Yes	FMR completed by Stantons during 2022. Council resolution 15 December 2022 OMC - Min C/1222/20. Next due December 2025.



## Compliance Audit Return

No	Question	Response	Comment
2	2. Audit Reg 17 - Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2024?  If yes, please provide date of council's resolution to accept the report.	Yes	Yes, review completed December 2024. Council accepted the report at OMC 12 December 2024 - Min C/1224/012.
3	3. s.5.87C - Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?	No	One gift was received 09/08/2024 and disclosed as per 5.87C(1) and (3) of the LG Act 1995, however the gift wasn't disclosed until 19/09/2024 as per 5.87C(2).
4	4. s.5.90A(2) & (5) - Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events ?	Yes	Policy adopted on 23/9/2020. Reviwed 31 August 2023 OMC - Min C/0823/028
5	5. s.5.96A(1), (2), (3) & (4) - Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?	Yes	Yes compliant
6	6. s.5.128(1) - Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Reviewed following election 16 Nov 2023 - Min No C/1123/042
7	7. s.5.127Did the local government prepare a report on the training completed by council members in the 2022/2023 financial year and publish it on the local government's official website by 31 July 2024?	Yes	Compliant. Website updated in May 2024.
8	8. s.6.4(3)By 30 September 2024, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2024?	Yes	Yes. Submitted 20 September 2024.



## Compliance Audit Return

No	Question	Response	Comment
9	9. s.6.2(3) - When adopting the annual budget, did the local government take into account all it's expenditure, revenue and income?	Yes	Adoption of 2024/25 Annual Budget included consideration of the impact of carryovers from the prior year. SCM 22 August 2024 Item 5.4.1.

**Certification**

I certify the Compliance Audit Return has been adopted by council at its meeting on \_\_\_\_\_

\_\_\_\_\_  
Signed Mayor / President, The Shire of Broome

\_\_\_\_\_  
Signed CEO, The Shire of Broome

**Cr Virgo declared a financial interest in Item 5.2 2<sup>nd</sup> Quarter Finance and Costing review 2024-25 being “I am an employee of the BVC”. Cr Virgo left the meeting at 2:53pm.**

## **5.2 2ND QUARTER FINANCE AND COSTING REVIEW 2024-25**

<b>LOCATION/ADDRESS:</b>	Nil
<b>APPLICANT:</b>	Nil
<b>FILE:</b>	FRE02
<b>AUTHOR:</b>	Director Corporate Services
<b>CONTRIBUTOR/S:</b>	Nil
<b>RESPONSIBLE OFFICER:</b>	Director Corporate Services
<b>DISCLOSURE OF INTEREST:</b>	Nil

### **SUMMARY:**

The Audit and Risk Committee is requested to consider results of the 2<sup>nd</sup> Quarter Finance and Costing Review (FACR) of the Shire's budget for the period ended 31 December 2024, including forecast estimates and budget recommendations to 30 June 2025.

## **BACKGROUND**

### Previous Considerations

SMC	22 August 2024	Item 5.4.1
ARC	29 October 2024	Item 5.1
OMC	31 October 2024	Item 13.1

### 1<sup>st</sup> Quarter Finance and Costing Review

The 1<sup>st</sup> Quarter Finance and Costing Review (the Q1 Review) was approved by Council at the OMC 31 October 2024. The Q1 Review contained a comprehensive list of budget amendments with the following proposed amendments of note:

- **BRAC Importance Level 4 Upgrades Project (expense)**
  1. An additional \$100,000 in municipal funds is required due to an increased scope of work identified during project preparations. The original project budget consists of \$110,000 in grant funding and \$110,000 in municipal funding. No further funding is confirmed at this stage. If the additional municipal funds are not provided, the grant funding will need to be returned, and the project will not proceed.
- **Accounting Support (expense)**
  2. An additional \$81,600 is requested to engage contractors for the preparation of the 2025/26 annual budget and to review Council's Long Term Financial Plan. Contractor support is required due to the long term vacancy in the Accountant position necessitating external support to ensure these statutory projects are completed.
- **Insurance (saving)**
  3. Actual annual insurance costs are \$93,984 lower than budgeted. Additionally, there is a \$27,000 insurance reimbursement for LGIS wage adjustments for 2023/24.
- **Planning and Building Fee Income (saving)**

4. Additional income of \$70,000 is projected above budget, with income tracking ahead across both areas. This increase stems largely from increased solar applications.
- **Main Roads Direct Grant (saving)**
  5. Actual grant was confirmed to be \$34,110 more than the budget estimate.
- **Property Reactive Maintenance (expense)**
  6. An amount of \$40,000 is required for unplanned maintenance across the Administration building and two commercial properties.
- **Implementation of the Animal Management Plan (expense)**
  7. The Animal Management Plan was adopted at the Ordinary Council Meeting on 19 September 2024. Council Resolution Point 3 requested the allocation of \$50,000 through Quarter 1 FACR to cover costs for implementing actions in the plan.

Since the adoption of the 2024/25 annual budget, Council has approved the following budget amendments independent of the FACR process:

#### **OMC 29 August 2024 Item 9.2.1 – Broome Housing Affordability Strategy And Master Planning**

The net impact on municipal funds for 2024/25 is \$0, as the budget amendments offset each other (\$98,428 in income and \$98,428 in expenditure). An agenda item was presented to the full Council, outside of the FACR process, to facilitate the proposed project. Council resolved the following:

##### **COUNCIL RESOLUTION:**

**(REPORT RECOMMENDATION)**

**Minute No. C/0824/001**

**Moved: Cr E Smith**

**Seconded: Cr S Cooper**

**That Council:**

1. **Notes the successful outcome of application – Housing Support Program Stream 1 (Attachment 1);**
2. **Endorses the proposed scope of works to develop a Broome Housing Affordability Strategy, in addition to offering concept master planning to help stimulate the development of undeveloped and underdeveloped land across the townsite of Broome; and**
3. **Adopt the following budget amendments to the 2024/25 Annual Budget for the Broome Housing Affordability Strategy and Master Planning, noting a nil impact on municipal funds:**
  - a) **Increase expenditure account 1367460 to \$98,428; and**
  - b) **Increase budget account 1367304 by \$98,428.**

**For: Shire President C Mitchell, Cr. D Male, Cr. S Cooper, Cr. J Lewis, Cr. P Matsumoto,**

**Cr. M Virgo, Cr. P Taylor, Cr. E Smith, Cr. J Mamid.**

**CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY 9/0**

#### **OMC 29 August 2024 Item 9.2.3 – Walmanyjun Cable Beach Foreshore Redevelopment - Waterpark Design Services (Stage3)**

The net impact on municipal funds for 2024/25 is \$0, as the budget amendments offset each other (\$350,000 in income and \$350,000 in expenditure). An agenda item was presented to the full Council, outside of the FACR process, to facilitate the proposed project. Council resolved the following:

**COUNCIL RESOLUTION:****(REPORT RECOMMENDATION)****Minute No. C/0824/002****Moved: Cr D Male****Seconded: Cr P Taylor**

***That Council adopt the following budget amendments to the 2024/25 Annual Budget for the detailed design of Stage 3 (Waterpark) of the Walmanyjun Cable Beach Foreshore redevelopment Project, noting a nil impact on municipal funds:***

- 1. Increase expenditure account WD02 to \$350,000: and***
- 2. Increase grant income account WD01 of \$350,000.***

***For: Shire President C Mitchell, Cr. D Male, Cr. S Cooper, Cr. J Lewis, Cr. P Matsumoto,  
Cr. M Virgo, Cr. P Taylor, Cr. J Mamid.***

**CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY 9/0****OMC 19 September 2024 Item 9.4.3 – Monthly Financial Report - August 2024**

The net impact on municipal funds in 2024/25 is \$0, as the budget amendments offset each other (\$26,500 income and \$26,500 expenditure). An agenda item was presented to full Council, outside of the FACR process, given the critical timing of the Community Development Fund program. Council resolved the following:

**COUNCIL RESOLUTION:****(REPORT RECOMMENDATION)****Minute No. C/0924/003****Moved: Cr J Lewis****Seconded: Cr E Smith*****That Council:***

- 1. Receives the Monthly Financial Report for the period ended 31 August 2024 as attached; and***
- 2. Approves the following 2024/25 budget amendments to implement Council's previous resolution, Minute No. C/0624/066, regarding the allocation of the 2024/25 Community Development Fund program and Energy Development Limited grant funding:***
  - a. Budget increase of \$26,500 for Account 100235930 Transfer from EDL Sponsorship Reserve;***
  - b. Budget increase of \$26,500 for Account 100221730 EDL Sponsorship Programme;***
  - c. Budget increase of \$19,500 for Account 100221720 Community Development Fund Stream 1 and Quick Response Grants; and***
  - d. Budget decrease of \$19,500 for Account 100221740 Community Development Fund Stream 2 and 3.***

***For: Shire President C Mitchell, Cr. D Male, Cr. S Cooper, Cr. J Lewis, Cr. P Matsumoto,  
Cr. M Virgo, Cr. P Taylor, Cr. E Smith, Cr. J Mamid.***

**CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY 9/0**

The **net result** of the Quarter 1 FACR estimates is a budget deficit position of **\$122,617** to 30 June 2025. Budget amendments previously endorsed by Council have had no municipal impact.

This net result includes \$84,560 of additional expenditure requirements across directorates, and \$38,057 of additional organisational expenditure.

#### Quarter 2 Finance and Costing Review

The Shire of Broome has carried out its 2<sup>nd</sup> Quarter Finance and Costing Review (FACR) for the 2023/24 financial year. This review of the 2023/24 adopted Annual Budget is based on actuals and commitments for the first six months of the year from 1 July 2023 to 31 December 2023, and forecasts for the remainder of the financial year.

This process aims to highlight over and under expenditure of funds and over and under achievement of income targets for the benefit of Executive and Responsible Officers to ensure good fiscal management of their projects and programs.

Once this process is completed, a report is compiled identifying budgets requiring amendments to be adopted by Council. Additionally, a summary provides the financial impact of all proposed budget amendments to the Shire of Broome's adopted end-of-year forecast, to assist Council to make an informed decision.

It should be noted that the 2023/24 Annual Budget was adopted at the Special Meeting of Council (SMC) on 11 July 2023 as a balanced budget.

#### **COMMENT**

#### **Council Approved budget amendments**

The following budget amendments have been approved by Council since the 1<sup>st</sup> Quarter FACR:

#### **OMC December 12 2024 Item 14.1 Request for Tender RFT24-09 Frederick Street Intersection**

The net impact on municipal funds in 2024/25 is \$0, as the budget amendments offset each other (\$112,500 income and \$112,500 expenditure). An agenda item was presented to full Council, outside of the FACR process, given the critical timing of the tender. Council resolved the following:

#### **COUNCIL RESOLUTION:**

**(REPORT RECOMMENDATION)**

**Minute No. C/1224/023**

**Moved: Cr S Cooper**

**Seconded: Cr M Virgo**

**That Council:**

- 1. Note the recommendation in the Evaluation Report for RFT 24-09 Frederick Street Intersection Upgrades as presented in Attachment 2;**



2. **Accepts the Tender provided by McCorry Brown Earthmoving Pty Ltd as the most advantageous Respondent from which to form a Contract, after final contract negotiations to a maximum value of \$1,525,000 Ex GST.**
3. **Authorises the Chief Executive Officer to negotiate and sign the contract documentation following final contract negotiations and the appropriate financial due diligence, and negotiate contract variations during the works/project if necessary;**
4. **Approve a budget amendment of \$112,500 Ex GST to Expense Account 121718 for the delivery of RFT 24-09 Frederick Street Intersection Upgrades.**
5. **Approve a budget amendment of \$112,500 Ex GST to Income Account 121776 for the delivery of RFT 24-09 Frederick Street Intersection Upgrades.**

**For: Shire President C Mitchell, Cr D Male, Cr S Cooper, Cr J Mamid, Cr P Matsumoto, Cr E Smith, Cr M Virgo.**

**CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY 7/0**

#### **OMC December 12 2024 Item 14.2 Request for Tender RFT24-08 Contaminated Site Remediation – Reserve 42502**

The net impact on municipal funds in 2024/25 is \$0, as the budget amendments offset each other (\$1,800,000 income, \$1,046,000 expenditure and \$754,000 transfer to reserve). An agenda item was presented to full Council, outside of the FACR process, given the critical timing of the tender. Council resolved the following:

#### **COUNCIL RESOLUTION:**

**(REPORT RECOMMENDATION)**

**Minute No. C/1224/024**

**Moved: Cr J Mamid**

**Seconded: Cr P Matsumoto**

**That Council:**

1. **Note the recommendation outlined in the Evaluation Report for RFT 24/08 Contaminated Site Remediation Reserve 42502 as presented in Attachment 2;**
2. **Accepts the Tender from Site Environmental and Remediation Services Pty Ltd as the most advantageous Respondent from which to form a Contract, subject to final contract negotiations for RFT 24/08, with a maximum value of \$1,196,000 Ex GST.**
3. **Authorises the Chief Executive Officer to finalise and sign the contract following negotiations and financial due diligence, and to negotiate contract variations during the project;**
4. **If a Contract cannot be executed, authorises negotiations to commence with the second preferred Respondent.**
5. **Approve a budget amendment of \$1,046,000 Ex GST to Expense Account 101010500 for the delivery of RFT 24/08 Contaminated Site Remediation Reserve 42502.**
6. **Approve a budget amendment of \$1,800,000 Ex GST to Income Account 101014200 WMF Op Income – Sanitation Gen Refuse Mun.**
7. **Approve a budget amendment to transfer \$754,000 Ex GST to Account 101018950 Transfer to Regional Resource Recovery Park Reserve.**

**8. Requests the Chief Executive Officer to update the Landfill Closure Management Plan and provide an update on the costings for inclusion in the financial modelling for the Refuse Reserve and Regional Resource Recovery Park Reserve.**

**For: Shire President C Mitchell, Cr D Male, Cr S Cooper, Cr J Mamid, Cr P Matsumoto, Cr E Smith, Cr M Virgo.**

**CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY 7/0**

**Quarter 2 Finance and Costing Review**

Responsible officers completed the second quarter review in January 2025. The executive team thoroughly reviewed and considered the budget requests, carefully weighing the impacts on service levels and potential delays to projects, against the overall annual budget.

The Quarter 2 FACR results indicate a deficit forecast financial position of **\$10,930** should Council approve the Quarter 2 proposed budget amendments. This figure represents a budget forecast should all expenditure and income occur as expected.

While officers make every effort to ensure the net impact of each FACR is minimal, and offset savings and expenditure within their assigned budgets and directorates, this is not always achievable. The second quarter review has balanced the impact of the proposed variances within the full budget, including the following proposed amendments:

- \$172,000 additional income at the Waste Management Facility offset by a \$100,000 increase in costs (primarily related to dry hire excavator costs required due to BOMAG repairs) resulting in a \$72,000 transfer to the Regional Resource Recovery Park Reserve.
- \$120,000 decrease to salary accounts in the Ranger Operations business unit with a corresponding \$120,000 increase to fund relief staff required due to vacancies.
- \$88,525 increased income via developer contributions which have been quarantined in reserve for future footpath and drainage works.
- \$85,393 savings in salary allocations for A Sporting Chance due to the program being wound up (refer December 12 2024 OMC Item 9.1.1).
- \$80,000 reduction in loan fees and adjustments due to the delayed draw down of the Key Worker Housing Loan.
- \$77,000 loss of interest income due to the delayed issue of rates notices following late budget adoption coupled with less grant funding being held in the municipal bank account.
- \$60,000 decrease to salary accounts in the Finance business unit with a corresponding \$77,021 increase to fund relief staff and external financial support due to vacancies in key positions. Pleasingly the Manager Finance position has recently been filled with recruitment continuing for the Accountant role.
- \$45,000 decrease to salary accounts in the Information Services business unit with a corresponding \$45,000 increase to fund external ICT support required due to vacancies in key positions.
- \$45,000 decrease to salary accounts in the Works business unit with a corresponding \$45,000 increase to fund relief staff required due to vacancies in key positions.

- \$42,551 in savings following the completion of the Male Oval Toilet Renewals with the savings returned to reserve.

A comprehensive list of accounts has been included for perusal by the committee, presented by Directorate (refer to Attachment 1).

A summary of the results is as follows:

SHIRE OF BROOME SUMMARY REPORT							
BUDGET IMPACT							
	2024/25 Adopted Budget	YTD Adopted Budget Amends. (Inc) / Exp	FACR Q2 Overall (Inc)/ Exp	FACR Q2 Org (Saving) / Expense	FACR Q2 Impact (Inc) / Exp (less Org Saving / Expense)	YTD Impact (Less Org Saving / Expense)	YTD Overall Position
Office of the CEO	\$0	\$45,732	\$0	\$0	\$0	\$45,732	\$45,732
Corporate Services	\$0	\$82,995	-\$74,184	-\$30,184	-\$44,000	\$38,995	\$8,811
Development Services	\$0	-\$12,000	-\$158,201	-\$122,893	-\$35,308	-\$47,308	-\$170,201
Infrastructure Services	\$0	\$5,890	\$120,698	\$79,183	\$41,515	\$47,405	\$126,588
Council budget amends.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>0,000*</b>	<b>\$122,617</b>	<b>-\$111,687</b>	<b>-\$73,894</b>	<b>-\$37,793</b>	<b>\$84,824</b>	<b>\$10,930</b>

\*Council adopted the annual budget with a predicted end-of-year balanced budget.

## CONSULTATION

All amendments have been proposed after consultation with Executive and Responsible Officers at the Shire.

## STATUTORY ENVIRONMENT

### **Local Government (Financial Management) Regulation 1996**

#### **r33A. Review of Budget**

- (1) Between 1 January and the last day of February in each financial year a local government is to carry out a review of its annual budget for that year.
- (2A) The review of an annual budget for a financial year must —
  - (a) consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and

- (b) consider the local government's financial position as at the date of the review; and
  - (c) review the outcomes for the end of that financial year that are forecast in the budget; and
  - (d) include the following —
    - (i) the annual budget adopted by the local government;
    - (ii) an update of each of the estimates included in the annual budget;
    - (iii) the actual amounts of expenditure, revenue and income as at the date of the review;
    - (iv) adjacent to each item in the annual budget adopted by the local government that states an amount, the estimated end-of-year amount for the item.
- (2) The review of an annual budget for a financial year must be submitted to the council on or before 31 March in that financial year.
- (3) A council is to consider a review submitted to it and is to determine\* whether or not to adopt the review, any parts of the review or any recommendations made in the review.
- \*Absolute majority required.
- (4) Within 14 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.

[Regulation 33A inserted: Gazette 31 Mar 2005 p. 1048-9; amended: Gazette 20 Jun 2008 p. 2723-4; SL 2023/106 r. 18.]

## **Local Government Act 1995**

### **6.8. Expenditure from municipal fund not included in annual budget**

- 1) A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —
- (a) is incurred in a financial year before the adoption of the annual budget by the local government;
  - (b) is authorised in advance by resolution\*; or
  - (c) is authorised in advance by the mayor or president in an emergency.
- (1a) In subsection (1) —
- "additional purpose" means a purpose for which no expenditure estimate is included in the local government's annual budget.

## **POLICY IMPLICATIONS**

Nil.

It should be noted that according to the materiality threshold set at the budget adoption, should a deficit achieve 1% of Shire's operating revenue (\$441,595) the Shire must formulate an action plan to remedy the over expenditure.

## **FINANCIAL IMPLICATIONS**

The **net result** of budget amendments previously endorsed by Council (including Quarter 1 FACR) is a budget deficit position of **\$122,617**.

The **net result** of budget amendments proposed through the Quarter 2 FACR will result in a **\$111,687** surplus.

Council's approval of the Quarter 2 FACR will result in an overall closing position deficit of **\$10,930** to 30 June 2025. This figure represents a budget forecast should all expenditure and income occur as expected.

## **RISK**

The Finance and Costing Review (FACR) seeks to provide a best estimate of the end-of-year position for the Shire of Broome at 30 June 2025. Contained within the report are recommendations of amendments to budgets which have financial implications on the estimate of the end-of-year position.

The review does not, however, seek to make amendments below the materiality threshold unless strictly necessary. The materiality thresholds are set at \$10,000 for operating budgets and \$20,000 for capital budgets. Should a number of accounts exceed their budget within these thresholds, it poses a risk that the predicted final end-of-year position may be understated.

In order to mitigate this risk, the CEO enacted the FACRs to run quarterly and Executive examine each job and account to ensure compliance. In addition, the monthly report provides variance reporting highlighting any discrepancies against budget.

It should also be noted that should Council decide not to adopt the recommendations, it could lead to some initiatives being delayed or cancelled in order to offset the additional expenditure associated with running the Shire's operations.

## **STRATEGIC ASPIRATIONS**

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

***Outcome Eleven – Effective leadership, advocacy and governance:***

11.2 Deliver best practice governance and risk management.

***Outcome Thirteen - Value for money from rates and long term financial sustainability:***

13.1 Plan effectively for short and long term financial sustainability.

## **VOTING REQUIREMENTS**

*Absolute Majority*

**REPORT RECOMMENDATION:**

*That the Audit and Risk Committee recommends that Council:*

- 1. Receives the Quarter 2 Finance and Costing Review Report for the period ended 31 December 2024;*
- 2. Adopts the operating and capital budget amendment recommendations for the year ended 30 June 2025 as attached (Attachment 1);*
- 3. Notes a forecast net end-of-year deficit position to 30 June 2025 of **\$10,930** including previously adopted budget amendments; and*
- 4. Endorses the Report as the 2024/25 statutory mid-year budget review.*

**COMMITTEE RESOLUTION:**

**(RECOMMENDATION)**

**Minute No. AR/0225/003**

**Moved: Cr D Male**

**Seconded: Shire President C Mitchell**

***That the Audit and Risk Committee recommends that Council:***

- 1. Receives the Quarter 2 Finance and Costing Review Report for the period ended 31 December 2024;***
- 2. Adopts the operating and capital budget amendment recommendations for the year ended 30 June 2025 as attached (Attachment 1);***
- 3. Notes a forecast net end-of-year deficit position to 30 June 2025 of \$10,930 including previously adopted budget amendments;***
- 4. Endorses the Report as the 2024/25 statutory mid-year budget review; and***
- 5. Requests the Chief Executive Officer to raise concerns regarding the increased Office of the Auditor General's Annual Financial Audit fees to the Minister for Local Government.***

**CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY 2/0**

**Attachments**

1. Quarter 2 Finance and Costing Review 2024-25
2. 2024-25 Mid-year Statement of Budget Review

SHIRE OF BROOME SUMMARY REPORT							
BUDGET IMPACT							
	2024/25 Adopted Budget (Income)/ Expense	YTD Adopted Budget Amendments (Income)/ Expense	FACR Q2 Overall (Income)/ Expense	FACR Q2 Org (Savings) / Expenses	FACR Q2 Impact (Inc) / Exp (Org Savings subtracted)	YTD Impact (Org Savings Subtracted)	YTD Overall Position
Office of the CEO	\$0	\$45,732	\$0	\$0	\$0	\$45,732	\$45,732
Corporate Services	\$0	\$82,995	-\$74,184	-\$30,184	-\$44,000	\$38,995	\$8,811
Development Services	\$0	-\$12,000	-\$158,201	-\$122,893	-\$35,308	-\$47,308	-\$170,201
Infrastructure Services	\$0	\$5,890	\$120,698	\$79,183	\$41,515	\$47,405	\$126,588
Council approved budget amendments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>0,000*</b>	<b>\$122,617</b>	<b>-\$111,687</b>	<b>-\$73,894</b>	<b>-\$37,793</b>	<b>\$84,824</b>	<b>\$10,930</b>

\*Council adopted the annual budget with a predicted end-of-year balanced budget, which included previous year carried forward surplus

\*\*Please note that should the Forecast budget predict a deficit greater than 1% of budgeted operating revenue excluding grants and contributions for assets, and profit on sale of assets (\$458,810), an action plan to remedy the situation will be prepared in accordance with Item 5.4.1 of August SMC on Materiality Threshold.

† Includes all additional Council adopted budget amendments year-to-date, including any previous FACRs

SHIRE OF BROOME FINANCE & COSTING REVIEW QUARTER 2 2024/25										
COA Code	Job Number	IE Code	Job Description	2024/25 Full Year Current Budget	2024/25 YTD Actuals	Proposed Budget Amendment	Proposed Budget	Reserve Movement	Amendment Description	Org (Savings) / Expenses
			Office of the CEO							
			ADMIN2 - Executive Assistant CEO - Vacant							
22121		34	Kimberley Zone - SOB's Members Costs - Op Exp - Kimberley Zone MUN	\$7,500	\$12,016	\$7,500	\$15,000		Additional funds required noting upcoming travel to Halls Creek and previous travel to Canberra.	
24020		34	Shire President & CEO Special Travel - Op Exp - Members MUN	\$12,000	\$18,012	\$10,000	\$22,000		Additional expenditure YTD due to concerted lobbying efforts with upcoming State and Federal election. Further funds requested for National PIA Awards in Darwin and further travel to 30 June; Note \$9k reimbursement from WALGA for State Council attendance to be received. Savings from account 20315 used to offset increased expenses.	
23015		34	Executive Travel & Accom - Op Exp - Other Governance	\$22,000	\$1,174	-\$17,500	\$4,500		Savings identified to offset Shire Pres/CEO travel expenses.	
						\$0		\$0		\$0
			Office of the CEO Directorate (Saving)/Expense			\$0		\$0		\$0



SHIRE OF BROOME FINANCE & COSTING REVIEW QUARTER 2 2024/25										
COA Code	Job Number	IE Code	Job Description	2024/25 Full Year Current Budget	2024/25 YTD Actuals	Proposed Budget Amendment	Proposed Budget	Reserve Movement	Amendment Description	Org (Savings) / Expenses
Corporate Services										
BRAC1 - Manager Community Facilities - C Zepnick										
117010	117011	34	Aquatic Building & Pool General Maint Exp	\$25,000	\$22,771	\$10,000	\$35,000		Structural wall works required in leisure pool.	\$10,000
117015	117015	34	Chemicals - Chemical related expenses - Aquatic	\$50,000	\$40,640	\$15,000	\$65,000		Costs have increased for supply and delivery. Have had to increase chlorine levels at times to ensure adequate disinfection.	\$15,000
117148		34	Group Fitness Program - Op Exp - BRAC - Aquatic	\$30,000	\$23,420	\$10,000	\$40,000		Some increases in instructor costs, and AV set up and equipment.	\$0
117280		02	Group Fitness by Brac Inc - Aquatic	-\$40,000	\$0	-\$10,000	-\$50,000		Additional \$14k income to end of December yet to be journalled from Perfect Mind point of sale system. Tracking well and expect increase in attendance in Q3 and 4.	
117410		02	Entry fees and Spectator fees - Op Inc - BRAC Aquatic	-\$260,000	-\$50,844	-\$30,000	-\$290,000		Tracking well primarily due to school swim lesson program. Additional \$113k income to end of December yet to be journalled from Perfect Mind point of sale system. Increase full year budget.	-\$30,000
117081	117082	34	General Building & Facility Maint - BRAC Dry - Op Exp	\$40,000	\$42,154	\$20,000	\$60,000		Failure of large items needing replacement and repair - Sewer pump and railing, air conditioner, fire and safety equipment, squash court lighting, squash court flooring.	\$20,000
117266		02	Multipurpose Room Hire Inc - BRAC	-\$10,000	-\$8,660	-\$10,000	-\$20,000		Hires increased over budget. Increase income by \$10k.	-\$10,000
117272		02	Holiday Program Enrolment Fees Rec'd	-\$40,000	\$0	-\$10,000	-\$50,000		\$21k income to end of December yet to be journalled from Perfect Mind point of sale system. Remainder of Xmas holidays remain.	-\$10,000
117218	117220	34	Medland Pavilion - Reactive Maint - Op Exp	\$6,000	\$16,915	\$15,000	\$21,000		Significant repairs required due to vandalism. Portion to be recouped via insurance.	\$15,000

SHIRE OF BROOME FINANCE & COSTING REVIEW QUARTER 2 2024/25										
COA Code	Job Number	IE Code	Job Description	2024/25 Full Year Current Budget	2024/25 YTD Actuals	Proposed Budget Amendment	Proposed Budget	Reserve Movement	Amendment Description	Org (Savings) / Expenses
117293		02	BRAC Fields - Father McMahon Playing Field Fees and Other Income - Op Inc	-\$30,000	-\$7,737	-\$10,000	-\$40,000		Additional \$14k income to end of December yet to be journalled from Perfect Mind point of sale system.	-\$10,000
						\$0		\$0		\$0
<b>LS1 - Library Coordinator - A Morris</b>										
115410		02	Libraries - Miscellaneous Op Inc - Libraries MUN	\$0	-\$10,678	-\$20,000	-\$20,000		Budget error - miscellaneous income inadvertently omitted in the annual budget process.	-\$20,000
115480		11	Grant Program Income - Op Inc - Library	-\$18,598	-\$12,015	-\$16,000	-\$34,598		Adjustment to reflect budget error - grant income inadvertently omitted from annual budget process.	-\$16,000
						-\$36,000		\$0		-\$36,000
<b>CS2 - Manager Financial Services - E French</b>										
22200		34	Audit Fees - Op Exp - Other Governance	\$174,100	\$20,401	\$15,000	\$189,100		2024 audit fee \$165,424 which includes an additional \$15,224 for work specified by OAG: restating comparative balances, consulting the OAG technical team, emphasis of matter, and proposing financial report amendments.	\$15,000
51051		58	FESA Levy paid on Shire land - Op Exp - Fire Prevention	\$0	\$13,006	\$13,006	\$13,006		Emergency Services Levy on Shire-owned properties, not captured in the Annual Budget.	\$13,006
32220		34	Valuation Expenses - Op Exp - Rates	\$195,000	\$10,000	\$7,000	\$202,000		Requesting \$7,000 increase for Landgate valuations, as the triennial GRV fee was confirmed after the budget was set.	\$7,000
30106		1	Interim Rates Broome - Op Inc - Rates	-\$207,979	-\$282,721	-\$77,021	-\$285,000		Interim Rates increase comparative to budget.	-\$77,021
142193		34	Consultants and Relief Staff - Op Exp - Finance - Corp. Gov. & Support	\$218,054	\$167,552	\$67,000	\$285,054		External support for Manager Finance and Accountant vacancies - LoGo contract MFS and Source BP \$67,000.	\$67,000
142004		61	Salary - Op Exp - Finance	\$991,182	\$470,162	-\$50,000	\$941,182		Salary account IE 61 Salaries and Wages reduced to cover Manager vacancy.	-\$50,000
142004		76	Salary - Op Exp - Finance	\$133,174	\$63,956	-\$5,000	\$128,174		Salary account IE 76 Superannuation reduced to cover Manager vacancy.	-\$5,000

SHIRE OF BROOME FINANCE & COSTING REVIEW QUARTER 2 2024/25										
COA Code	Job Number	IE Code	Job Description	2024/25 Full Year Current Budget	2024/25 YTD Actuals	Proposed Budget Amendment	Proposed Budget	Reserve Movement	Amendment Description	Org (Savings) / Expenses
142394		14	Employee LSL Leave Reimbursement - Op Inc - Corp Gov	\$0	-\$13,169	-\$13,169	-\$13,169		Long Service Leave for a current employ, recouped from a previous local government.	-\$13,169
						-\$43,184		\$0		-\$43,184
<b>CS4 - Manager Governance, Strategy &amp; Risk - R Doyle</b>										
24010		34	Conferences Travel & Accom Op Exp - Members	\$40,000	\$23,437	\$37,000	\$77,000		Study Tour Town of Port Hedland; Kimberley Economic Forum; Dampier Peninsula community visit.	\$37,000
22110		34	Refreshments & Receptions - Op Exp - Other Governance	\$15,000	\$16,719	\$10,000	\$25,000		Additional expenses due to number of workshops including Council plan workshops, Budget/LTFP workshops, Council planning days and remote community visits.	\$10,000
107370		02	Cemetery Fees - Op Inc - Other Community Amenities	-\$20,000	-\$20,561	-\$10,000	-\$30,000		Tracking high, increase previous year result.	-\$10,000
113417		02	Event Application Fee Male Oval & Concourse - Op Inc - Parks & Ovals	-\$1,000	-\$14,099	-\$14,000	-\$15,000		Circus and Shinju hires. No further income expected.	
142233		34	Consultants Administration Dept - Op Exp - Corp Gov Support	\$128,000	\$42,430	-\$15,000	\$113,000		Strategic review of Council Plan under budget by \$30K. Additional \$15K required for organisational ProMapp system training.	\$15,000
						\$8,000		\$0		\$52,000
<b>BA - Accountant - J Dodds</b>										
95301		55	Key Worker Accommodation Loan (NEW) Fees & Interest Exp - Staff Housing	\$135,221	\$0	-\$80,000	\$55,221		Budget for full year interest, loan not yet drawn down - adjust to four months.	-\$80,000
142212		20	Interest Rec on Muni Investment - Op Inc - General Administration O'Heads	-\$800,000	-\$284,398	\$77,000	-\$723,000		Municipal funds held at bank average funding level lower than budget due to reduced amount of grant funding held in the account comparatively to 2023-24 and delayed issue of rate notices due to late adoption of budget.	\$77,000
						-\$3,000		\$0		-\$3,000

SHIRE OF BROOME FINANCE & COSTING REVIEW QUARTER 2 2024/25										
COA Code	Job Number	IE Code	Job Description	2024/25 Full Year Current Budget	2024/25 YTD Actuals	Proposed Budget Amendment	Proposed Budget	Reserve Movement	Amendment Description	Org (Savings) / Expenses
CS6 - Manager Information Services - R Ali										
146122		34	Software Cap Exp - IT	\$73,926	\$40,102	-\$33,824	\$40,102		Savings from Altus Defintiv payroll system upgrades reallocated to 146109 to offset increased cost of GIS system transition to cloud.	
146109		34	Software - IT Exp	\$8,000	\$34,329	\$33,824	\$41,824		Redistributed from 146122 to address overspend on GIS transition to cloud (Tech One - AMS). Onsite prem end of life.	
146105		61	Salary - Op Exp - IT	\$459,787	\$183,448	-\$40,000	\$419,787		Staff vacancies have necessitated further engagement of external contractors. Cost funded through salary savings.	-\$40,000
146105		76	Salary - Op Exp - IT (Superannuation)	\$54,744	\$20,204	-\$5,000	\$49,744		Staff vacancies have necessitated further engagement of external contractors. Cost funded through salary savings.	-\$5,000
146111		34	IT Contract Consultants - Exp MUN	\$152,385	\$117,970	\$45,000	\$197,385		Staff vacancies have necessitated further engagement of external contractors. Cost funded through salary savings.	\$45,000
						\$0		\$0		\$0
			Corporate Services Directorate (Saving)/Expense			-\$74,184		\$0		-\$30,184

SHIRE OF BROOME FINANCE & COSTING REVIEW QUARTER 2 2024/25										
COA Code	Job Number	IE Code	Job Description	2024/25 Full Year Current Budget	2024/25 YTD Actuals	Proposed Budget Amendment	Proposed Budget	Reserve Movement	Amendment Description	Org (Savings) / Expenses
<b>Development Services</b>										
<b>BS1 - Manager Planning &amp; Building - K Wood</b>										
133440		4	Stat Fees & Lic - Pool Inspections	-\$110,000	-\$141,217	-\$35,000	-\$145,000		Increased income from commercial pool inspections	-\$35,000
						-\$35,000		\$0		-\$35,000
<b>REQ10 - Place Activation &amp; Engagement Officer - Communities &amp; Sporting Groups - M Doyle</b>										
113702		34	Club Development Officer Programs Exp - Rec Services	\$20,000	\$5,242	\$17,500	\$37,500		Budget increase to account for Aust Sports Commission Play Well Grant reflected in income account 82670.	
82670		11	Grant Income - Comm Services	-\$20,000	\$0	-\$17,500	-\$37,500		Income recieved as operating grant liability - Aust Sports Commission Play Well Grant.	
						\$0		\$0		\$0
<b>CMS2 - Manager Community Engagement &amp; Projects - N Roukens</b>										
82600		34	Salaries - Op Exp - Community Services	\$0	\$12,727	\$12,727	\$12,727		External contractor engaged to assist with Marketing and Communications to cover staff vacancies. Adjustment from Salaries Income Expense (IE) code 61 to Materials and Contracts IE code 34.	\$12,727
82600		61	Salaries - Op Exp - Community Services	\$815,842	\$403,065	-\$12,727	\$803,115		External contractor engaged to assist with Marketing and Communications to cover staff vacancies. Adjustment from Salaries Income Expense (IE) code 61 to Materials and Contracts IE code 34.	-\$12,727
						\$0		\$0		\$0
<b>REQ80 - Place Activation &amp; Engagement Officer - S Fewster</b>										
82635		34	Community Safety Projects -Op Exp - Community Services	\$10,000	\$0	-\$10,000	\$0		Security Incentive Scheme was not an approved project through the 2024-25 budget process.	-\$10,000
23040		34	Youth Development Program & Working Group - Op Exp - Other Governance	\$83,000	\$36,605	\$10,000	\$93,000		Budget increase to reflect \$10,000 grant income Dept of Communities - Future Ready Project (account 82675).	\$0

SHIRE OF BROOME FINANCE & COSTING REVIEW QUARTER 2 2024/25										
COA Code	Job Number	IE Code	Job Description	2024/25 Full Year Current Budget	2024/25 YTD Actuals	Proposed Budget Amendment	Proposed Budget	Reserve Movement	Amendment Description	Org (Savings) / Expenses
82675		11	Grants for Community Programs - Op Inc - Community Services	-\$63,000	-\$76,000	-\$13,000	-\$76,000		Grant income budget increase \$10,000 Dept of Communities Future Ready Project, \$1,000 Dept of Communities Volunteer grant, \$2,000 Bike Week grant.	\$0
1367457		34	Place Activation Plan	\$102,152	\$48,745	-\$10,000	\$92,152		Decreased \$10,000 for INPEX grant funding that has been expended from account 1160860 (Art Residence Program). \$2000 for Bike Week expenditure (income in account 82675). [RO REQ54]	\$0
116086	AC03	34	ACS Priority 3: Increase engagement and accessibility	\$6,000	\$1,764	\$10,000	\$16,000		Budget increase \$10,000 for INPEX funded Artist in residence expenditure (Income account 113673040). [RO REQ54]	\$0
						-\$13,000		\$0		-\$10,000
REQ54 - Activation & Engagement Coordinator - C Lawton										
1367459		34	A Sporting Chance - Op Exp - Economic Services Special Projects	\$39,502	\$7,194	-\$32,308	\$7,194		Adjustment following discontinuation of A Sporting Chance program as per Council Minutes December 12 2024.	
1367459		40	A Sporting Chance - Op Exp - Economic Services Special Projects	\$1,994	\$0	-\$1,994	\$0		Salary adjustments following discontinuation of A Sporting Chance program as per Council Minutes December 12 2024 - Item 9.1.1.	-\$1,994
1367459		61	A Sporting Chance - Op Exp - Economic Services Special Projects	\$102,168	\$28,073	-\$74,095	\$28,073		Salary adjustments following discontinuation of A Sporting Chance program as per Council Minutes December 12 2024 - Item 9.1.1.	-\$74,095
1367459		76	A Sporting Chance - Op Exp - Economic Services Special Projects	\$11,752	\$2,448	-\$9,304	\$2,448		Salary adjustments following discontinuation of A Sporting Chance program as per Council Minutes December 12 2024 - Item 9.1.1.	-\$9,304
						-\$117,701		\$0		-\$85,393
HS1 - Acting Manager Environmental Health, Emergency & Ranger Services - A Waters										

SHIRE OF BROOME FINANCE & COSTING REVIEW QUARTER 2 2024/25										
COA Code	Job Number	IE Code	Job Description	2024/25 Full Year Current Budget	2024/25 YTD Actuals	Proposed Budget Amendment	Proposed Budget	Reserve Movement	Amendment Description	Org (Savings) / Expenses
53015		75	Relief Staff Exp - Op Exp - Ranger Operations	\$0	\$9,905	\$25,000	\$25,000		Contract Rangers require accommodation.	\$25,000
53015		34	Relief Staff Exp - Op Exp - Ranger Operations	\$150,000	\$169,819	\$95,000	\$245,000		Cover for ongoing staff shortages. Reduction in salaries account.	\$95,000
51010		61	Salaries - Op Exp - Fire Prevention	\$480,593	\$186,575	-\$106,200	\$374,393		Reduction in salaries forecast for FY25 due to ongoing staff shortages.	-\$106,200
51010		76	Salaries - Op Exp - Fire Prevention	\$59,175	\$19,665	-\$13,800	\$45,375		Reduction in salaries forecast for FY25 due to ongoing staff shortages.	-\$13,800
106038		341	Legal Expenses - Development Services MUN	\$10,000	\$3,000	\$7,500	\$17,500		Legal advice required for dog attack, beyond budget.	\$7,500
						\$7,500		\$0		\$7,500
			<b>Development Services Directorate (Saving)/Expense</b>			<b>-\$158,201</b>		<b>\$0</b>		<b>-\$122,893</b>

SHIRE OF BROOME FINANCE & COSTING REVIEW QUARTER 2 2024/25										
COA Code	Job Number	IE Code	Job Description	2024/25 Full Year Current Budget	2024/25 YTD Actuals	Proposed Budget Amendment	Proposed Budget	Reserve Movement	Amendment Description	Org (Savings) / Expenses
<b>Infrastructure Services</b>										
<b>ES3 - Manager Works - K Hill</b>										
148010		34	Salary - Op Exp - Works (Mgmt)	\$96,388	\$41,108	\$45,000	\$141,388		External contractor engaged to back fill vacant Manager and Operations Coordinator roles.	\$45,000
143500		61	Salary - Op Exp - P&G (Management)	\$764,452	\$329,837	-\$45,000	\$719,452		Manager Operations budgeted 50% to P&G Management salary account; Operations Coordinator role budgeted 100% to P&G Management salary account.	-\$45,000
143600		34	Vehicle & Plant Renewal(Replacement) - Cap Exp - P&G Operations	\$793,545	\$84,748	\$12,515	\$806,060		Purchase of slasher attachment for existing Parks skidsteer loader to enable disposal of tractor at next auction without requiring replacement.	
						\$12,515		\$0		\$0
<b>ES8 - Manager Waste- M Mitchell</b>										
101028	101091	34	Transfer Station Concrete	\$140,180	\$36,414	-\$80,000	\$60,180		Bulk of crushing and testing completed in 23/24 reducing costs this financial year.	
101030	101033	34	Waste Facility Operations - Op Exp - San Gen Ref	\$507,066	\$518,331	\$90,000	\$597,066		Additional expenditure due to dry hire of excavator during BOMAG compactor repairs and processing asbestos/contaminated soil, additional income received through gate as a result.	
101897		34	Community Recycling Centre - RRRP - Cap Exp	\$0	\$20,000	\$20,000	\$20,000		Additional funds required for consultant to review and update Waste Financial Model. [RO: ES7]	\$20,000
101080	101081	34	WMF - Reactive Maint - Op Exp	\$6,500	\$14,066	\$10,000	\$16,500		Additional reactive repairs to weighbridge and faulty CCTV.	
101423		18	Sundry Income - Op Inc - Sanitation Gen Refuse	-\$188,910	-\$281,489	-\$92,000	-\$280,910		Additional income from sale of scrap steel, \$52k in/out for additional security.	
101895		43	Transfer to Regional Resource Recovery Park Reserve - Cap Exp - Reg Res Rec Pk	\$1,600,579	\$257,799	\$72,000	\$1,672,579	\$72,000	Transfer additional income from sale of scrap steel to Regional Resource Recovery Park Reserve.	



SHIRE OF BROOME FINANCE & COSTING REVIEW QUARTER 2 2024/25										
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						\$20,000		\$72,000		\$20,000
<b>ES9 - Manager Engineering - L McKenzie</b>										
104482		12	Headworks Contribution - Non Op Inc - Urban Stormwater Drainage	\$0	-\$15,000	-\$15,000	-\$15,000		Income from Drainage Headworks Fee to be transferred to Drainage Reserve.	
104281		43	Transfer to Drainage Reserve - Cap Exp - Urban Stormwater Drainage	\$54,255	\$34,074	\$15,000	\$69,255	\$15,000	Increase transfer to Drainage Reserve recognising Darinage Headworks Fee's paid.	
1076750	107676	34	Male Oval Toilets Renewal - Cap Exp	\$176,317	\$136,947	-\$42,551	\$133,766		Savings based on final caryover correction (yet to be applied). Unspent funds to be returned to the Building Reserve. 101173260.	
147457		43	Transfer to Building Reserve - Cap Exp - Unclassified General	\$999,457	\$0	\$42,551	\$1,042,008	\$42,551	Increase transfer to Building Reserve recognising savings from Male Oval Toilet Renewal.	
121782		12	Dev Contrib - Footpaths	\$0	-\$73,525	-\$73,525	-\$73,525		Roebuck Estate Construction Pty Ltd WAPC 155527 Stage 11 (\$38K) and DevWA Waranyjarri Estate Stage 12 (\$42K) contributions. Funds transferred to Footpath Reserve.	\$0
125950		43	Transfer to Footpath Reserve	\$194,225	\$32,052	\$73,525	\$267,750	\$73,525	Increase transfer to Footpath Reserve recognising footpath developer contributions.	
113131	CB08	34	Cable Beach Stage 1	\$2,347,463	\$1,390,230	-\$50,000	\$2,297,463		Allocation from Cable Beach Foreshore Redevelopment Stage 1 Shire funded budget for construction to be re-allocated to the design and permit costs required for the Monsoonal Vine Thickett boardwalk to be delivered during a future construction stage of the redevelopment.	

SHIRE OF BROOME FINANCE & COSTING REVIEW QUARTER 2 2024/25										
COA Code	Job Number	IE Code	Job Description	2024/25 Full Year Current Budget	2024/25 YTD Actuals	Proposed Budget Amendment	Proposed Budget	Reserve Movement	Amendment Description	Org (Savings) / Expenses
1181425	1181426	34	Cable Beach Foreshore Upgrade	\$217,924	\$54,591	\$50,000	\$267,924		Allocation from Cable Beach Foreshore Redevelopment Stage 1 Shire funded budget for construction to be re-allocated to the design and permit costs required for the Monsoonal Vine Thickett boardwalk to be delivered during a future construction stage of the redevelopment.	
121550		58	Statutory Contrib for Crossovers - Op Exp - Crossovers & General	\$30,000	\$43,000	\$30,000	\$60,000		Amendment to recognise significant period of development.	\$30,000
						\$30,000		\$131,076		\$30,000
<b>PK3 - Parks and Gardens Coordinator - A Batt</b>										
113380		34	Consultants & Concept Plan Exps - Op Exp - Parks & Ovals MUN	\$0	\$0	\$29,000	\$29,000		Review and update of the Weed Management Strategy to include a Weed Management Action Plan.	
						\$29,000		\$0		\$0
<b>PM3 - Senior Property &amp; Leasing Officer - L Blunt</b>										
96101		34	Staff Housing - Reactive Maint - Op Exp	\$17,200	\$15,263	\$10,000	\$27,200		Reactive works at Walcott Street Shire owned property.	\$10,000
95442		028	69 Robinson St Rent & Recoup Income - Op Inc	-\$14,300	-\$23,400	-\$32,500	-\$46,800		Additional income in recognition of rent increase to market rent and full occupancy.	-\$32,500
145561		028	15 Shelduck Way - Rent & Recoup Income - Op Inc	-\$52,000	-\$14,138	\$22,500	-\$29,500		Recognition of vacancy period following staff departure.	\$22,500
						\$0		\$0		\$0
<b>PM2 - Asset &amp; Building Coordinator - Civil - A Waddell</b>										
144023		34	Asset Management Program & Sundry Exp - Op Exp - Corp Gov & Support	\$15,000	\$0	-\$10,000	\$5,000		Saving in preparation of the Asset Management Plan.	-\$10,000
						-\$10,000		\$0		-\$10,000
<b>REQ3 - Asset Coordinator - Building Infrastructure Property &amp; Assets - A Perry</b>										
107028	107033	39	Cemetery Operating Expense - Op Exp	\$0	\$19,183	\$19,183	\$19,183		Insurance costs not allocated in 2024/25 budget.	\$19,183

SHIRE OF BROOME FINANCE & COSTING REVIEW QUARTER 2 2024/25										
COA Code	Job Number	IE Code	Job Description	2024/25 Full Year Current Budget	2024/25 YTD Actuals	Proposed Budget Amendment	Proposed Budget	Reserve Movement	Amendment Description	Org (Savings) / Expenses
115461	105462	34	Library Building Renewal	\$17,500	\$39,082	\$21,600	\$39,100		Building Reserve additional draw down - Aircon renewal x 2 due to failure prior to AMP timing and additional costs for flooring approved by DIS.	
147457		43	Transfer to Building Reserve - Cap Exp - Unclassified General	\$999,457	\$0	-\$21,600	\$977,857	-\$21,600	Reduction in transfer to Building Reserve recognising additional funds required for Library air conditioning and flooring [note proposed amendment to Building Reserve - ES9 above].	
132050	132052	34	Broome Visitor Centre - Reactive Maint - Op Exp	\$10,200	\$15,697	\$10,000	\$20,200		Unplanned breakdown of the Fire Indicator Panel requiring replacement.	\$10,000
142058		34	Haas St Office - Planned Maint & Minor Works - Op Exp	\$34,615	\$21,101	\$10,000	\$44,615		Additional painting of key areas of Administration Office.	\$10,000
						\$39,183		-\$21,600		\$39,183
			<b>Infrastructure Services Directorate (Saving)/Expense</b>			<b>\$120,698</b>		<b>\$181,476</b>		<b>\$79,183</b>
						-\$111,687		\$181,476		-\$73,894

**SHIRE OF BROOME**

**BUDGET REVIEW REPORT**

**FOR THE PERIOD ENDED 31 DECEMBER 2024**

*LOCAL GOVERNMENT ACT 1995*

*LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996*

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SHIRE OF BROOME  
STATEMENT OF BUDGET REVIEW  
FOR THE PERIOD ENDED 31 DECEMBER 2024

		Budget v Actual					
			Updated Budget	Year to Date	Estimated	Predicted	
	Note	Adopted Budget	Estimates (a)	Actual	Year at End Amount (b)	Variance (a) - (b)	
		\$	\$	\$	\$	\$	
<b>OPERATING ACTIVITIES</b>							
<b>Revenue from operating activities</b>							
General rates	4.1	28,649,409	28,649,409	28,621,652	28,721,430	72,021	▲
Rates excluding general rates					0		
Grants, subsidies and contributions	4.2	2,483,917	1,338,310	511,080	1,349,810	11,500	▲
Fees and charges	4.3	11,400,517	13,830,517	11,180,541	13,944,517	114,000	▲
Service charges					0		
Interest revenue	4.4	1,781,275	1,781,275	1,351,079	1,704,275	(77,000)	▼
Other revenue	4.5	1,316,967	1,431,183	1,072,799	1,582,252	151,069	▲
Profit on asset disposals		248,908	248,908	0	248,908	0	
Fair value adjustments to financial assets at fair value thr					0		
Fair value adjustments to investment property					0		
Share of net profit of associates accounted for using the e					0		
		45,880,993	47,279,602	42,737,151	47,551,192	271,590	
<b>Expenditure from operating activities</b>							
Employee costs	4.6	(19,696,237)	(19,305,957)	(9,039,854)	(18,982,558)	323,399	▲
Materials and contracts	4.7	(13,704,706)	(16,157,763)	(5,789,642)	(16,613,006)	(455,243)	▼
Utility charges		(2,652,461)	(2,652,461)	(1,038,496)	(2,652,461)	0	
Depreciation		(16,009,575)	(16,009,575)	(7,964,606)	(16,009,575)	0	
Finance costs	4.1	(450,931)	(450,931)	(107,849)	(370,931)	80,000	▲
Insurance	4.1	(867,944)	(836,037)	(795,244)	(840,499)	(4,462)	▼
Other expenditure	4.1	(1,586,394)	(1,612,894)	(1,020,849)	(1,655,900)	(43,006)	▼
Loss on asset disposals		(211,375)	(211,375)	0	(211,375)	0	
Loss on revaluation of non-current assets					0		
Reversal of prior year loss on revaluation of assets					0		
		(55,179,623)	(57,236,993)	(25,756,540)	(57,336,305)	(99,312)	
Non-cash amounts excluded from operating activities		15,972,042	15,972,042	7,964,606	15,972,042	0	
<b>Amount attributable to operating activities</b>		6,673,412	6,014,651	24,945,217	6,186,929	172,278	
<b>INVESTING ACTIVITIES</b>							
<b>Inflows from investing activities</b>							
Capital grants, subsidies and contributions	4.2	10,794,394	47,267,166	1,113,752	47,355,691	88,525	▲
Distributions from investments in associates					0		
Proceeds from disposal of assets		729,394	571,632	0	571,632	0	
		11,619,942	47,934,952	1,185,001	48,023,477	88,525	
<b>Outflows from investing activities</b>							
Purchase of investment property					0		
Purchase of intangible assets					0		
Purchase of land and buildings	4.1	(5,426,684)	(4,591,132)	(1,445,375)	(4,570,181)	20,951	▲
Purchase of plant and equipment		(2,809,771)	(2,574,111)	(317,940)	(2,574,111)	0	
Purchase of furniture and equipment	4.1	(123,926)	(143,714)	0	(109,890)	33,824	▲
Purchase and construction of infrastructure-other		(14,227,533)	(50,664,106)	(8,055,764)	(50,664,106)	0	
Purchase of investments					0		
		(26,624,725)	(62,202,930)	(10,543,554)	(62,194,036)	54,775	
<b>Amount attributable to investing activities</b>		(15,004,783)	(14,267,978)	(9,330,547)	(14,170,559)	143,300	
<b>FINANCING ACTIVITIES</b>							
<b>Cash inflows from financing activities</b>							
Proceeds from advances					0		
Proceeds from new borrowings	4.1	3,963,081	3,963,717	0	3,963,717	0	
Proceeds from new leases liabilities				45,881	45,881	45,881	▲
Transfers from reserve accounts		5,567,720	4,687,161	0	4,687,161	0	
		9,530,801	8,650,878	45,881	8,696,759	45,881	
<b>Cash outflows from financing activities</b>							
<b>Amount attributable to financing activities</b>		4,203,351	2,220,862	(1,072,436)	2,199,169	(67,574)	
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>							
<b>Surplus or deficit at the start of the financial year</b>	4.1	4,128,020	5,913,170	5,913,170	6,161,174	248,004	▲
Amount attributable to operating activities		6,673,412	6,014,651	24,945,217	6,186,929	172,278	
Amount attributable to investing activities		(15,004,783)	(14,267,978)	(9,330,547)	(14,170,559)	88,525	
Amount attributable to financing activities		4,203,351	2,220,862	(1,072,436)	2,199,169	(67,574)	
<b>Surplus or deficit after imposition of general rates</b>	3(a),4.2	0	(119,295)	20,455,404	376,613	441,233	▲

**SHIRE OF BROOME**  
**NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2024**

**1. BASIS OF PREPARATION**

This budget review has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

**Local Government Act 1995 requirements**

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996*, prescribe that the budget review be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for 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 Leases which would have required the SHIRE OF BROOME to measure any vested improvements at zero cost.

*Local Government (Financial Management) Regulations 1996, regulation 33A* prescribes contents of the budget review.

Accounting policies which have been adopted in the preparation of this budget review have been consistently applied unless stated otherwise. Except for cash flow and statement of financial activity, the budget review has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the

**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 financial report.

All monies held in the Trust Fund are excluded from the financial statements.

**Judgements and estimates**

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

The estimates and associated assumptions are based on historical experience and various other factors 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
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimation of fair values of provisions

**SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies utilised in the preparation of these statements are as described within the 2023-24 Annual Budget. Please refer to the adopted budget document for details of these

SHIRE OF BROOME  
NOTES TO THE BUDGET REVIEW REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2024

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

	Audited Actual 30 June 2024	Adopted Budget 30 June 2025	Updated Budget Estimates 30 June 2025	Year to Date Actual 31 December 2024	Estimated Year at End Amount 30 June 2025
(a) Composition of estimated net current assets	\$	\$	\$	\$	\$
<b>Current assets</b>					
Cash and cash equivalents	53,524,615	53,524,615	46,489,592	60,031,610	46,489,592
Financial assets	96,154	96,154	96,154	24,155	96,154
Trade and other receivables	2,570,892	2,570,892	909,000	10,379,294	909,000
Inventories	27,879	27,879	30,256	26,473	30,256
Other assets	576,111	576,111	135,000		135,000
Contract assets					
Assets classified as held for sale					
	56,795,651	56,795,651	47,660,002	70,461,532	47,660,002
<b>Less: current liabilities</b>					
Trade and other payables	(4,186,894)	(4,186,894)	(1,201,000)	(2,849,229)	(1,201,000)
Contract liabilities	(7,112,533)	(7,112,533)	(6,034,000)	(6,934,991)	(6,034,000)
Capital grant/contribution liability					
Lease liabilities	(132,032)	(132,032)	(132,032)	(77,042)	(132,032)
Borrowings	(608,967)	(608,967)	(608,967)	(306,160)	(608,967)
Employee related provisions	(2,016,446)	(2,016,446)	(2,010,000)	(2,009,604)	(2,010,000)
Other provisions	(103,000)	(103,000)	(103,000)	(103,000)	(103,000)
	(14,159,872)	(14,159,872)	(10,088,999)	(12,280,026)	(10,088,999)
<b>Net current assets</b>	42,635,779	42,635,779	37,571,003	58,181,506	37,571,003
Less: Total adjustments to net current assets	(36,722,609)	(36,722,609)	(37,195,390)	(37,726,102)	(37,195,390)
<b>Closing funding surplus / (deficit)</b>	5,913,170	5,913,170	375,613	20,455,404	375,613

(b) Non-cash amounts excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

	Audited Actual 30 June 2024	Adopted Budget 30 June 2025	Updated Budget Estimates 30 June 2025	Year to Date Actual 31 December 2024	Estimated Year at End Amount 30 June 2025
<b>Adjustments to operating activities</b>	\$	\$	\$	\$	\$
Less: Profit on asset disposals	(100,022)	(248,908)	(248,908)	0	(248,908)
Less: Movement in liabilities associated with restricted cash	36,963				
Less: Fair value adjustments to financial assets at fair value through profit or loss	(2,102)				
Add: Loss on disposal of assets	115,383	211,375	211,375	0	(211,375)
Add: Loss on revaluation of fixed assets	99,384				
Add: Depreciation on assets	15,410,833	16,009,575	16,009,575	7,964,606	(16,009,575)
Non-cash movements in non-current assets and liabilities:					
Unwinding of discount	130,132				
Pensioner deferred rates	(36,444)				
Employee benefit provisions	49,606				
Other provisions	1,227,536				
<b>Non-cash amounts excluded from operating activities</b>	16,931,269	15,972,042	15,972,042	7,964,606	(16,469,858)

(c) Investing activities excluded from budgeted deficiency

The following non-cash revenue and expenditure has been excluded from investing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

	Audited Actual 30 June 2024	Adopted Budget 30 June 2025	Updated Budget Estimates 30 June 2025	Year to Date Actual 31 December 2024	Estimated Year at End Amount 30 June 2025
<b>Adjustments to investing activities</b>	\$	\$	\$	\$	\$
Add: Property, plant and equipment received for substantially less than fair value				28,006	28,006
<b>Non cash amounts excluded from investing activities</b>	0	0	0	28,006	28,006

(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 Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

	Audited Actual 30 June 2024	Adopted Budget 30 June 2025	Updated Budget Estimates 30 June 2025	Year to Date Actual 31 December 2024	Estimated Year at End Amount 30 June 2025
<b>Adjustments to net current assets</b>	\$	\$	\$	\$	\$
Less: Reserve accounts	(38,787,299)	(38,787,299)	(38,069,403)	(39,532,251)	(38,069,403)
Less: Financial assets at amortised cost - self supporting loans	(96,154)	(96,154)	(96,154)	(24,155)	(96,154)
Less : Current assets not expected to be received at end of year					
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings	608,967	608,967	(608,967)	306,160	(608,967)
- Current portion of contract liability held in reserve					
- Current portion of lease liabilities	132,032	132,032	132,032	77,042	132,032
- Employee benefit provisions	15,566	15,566	15,566	15,566	15,566
- Current portion of provisions held in reserve	1,404,279	1,404,279	1,431,536	1,431,536	1,431,536
Add: Contract liability not expected to be cleared at end of year					
Add: Change in accounting policy					
<b>Total adjustments to net current assets</b>	(36,722,609)	(36,722,609)	(37,195,390)	(37,726,102)	(37,195,390)

**SHIRE OF BROOME**  
**NOTES TO THE BUDGET REVIEW REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2024**

**3 COMMENTS/NOTES - NET CURRENT FUNDING POSITION (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**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.

**FINANCIAL ASSETS AT AMORTISED COST**

The SHIRE OF BROOME 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.

**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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

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. The SHIRE OF BROOME applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

**INVENTORIES**

**General**

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

consideration for work completed but not billed at the end of the period.

**CONTRACT LIABILITIES**

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

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

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.

**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 OF BROOME's operational cycle. In the case of liabilities where the SHIRE OF BROOME 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 OF BROOME's intentions to release for sale.

**TRADE AND OTHER PAYABLES**

Trade and other payables represent liabilities for goods and services provided to the SHIRE OF BROOME 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. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**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 OF BROOME recognises revenue for the prepaid rates that have not been refunded.

**EMPLOYEE BENEFITS**

**Short-Term Employee Benefits**

Provision is made for the SHIRE OF BROOME's obligations for 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. expected to be paid when the obligation is settled.

The SHIRE OF BROOME'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 net current funding position. leave and long service leave entitlements are recognised as provisions in the

**Other long-term employee benefits**

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The SHIRE OF BROOME's obligations for long-term employee



***Cr Virgo returned to the meeting at 3:48pm and the Chair read the resolution aloud.***

<b>6. MATTERS BEHIND CLOSED DOORS</b>
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Nil

<b>7. MEETING CLOSURE</b>
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There being no further business the Chair declared the meeting closed at 3:49 PM.