

2013 - 2014

# *Shire of Coolgardie Annual Report*



Shire of Coolgardie  
Irish Mulgar Drive, Kambalda  
Bayley Street, Coolgardie

Postal Address:  
PO Box 138  
Kambalda, WA 6442

# Shire of Coolgardie Strategic Plan

## Strategic Direction

### **Solutions focussed and customer oriented organisation.**

- High quality corporate governance, accountability and compliance.
- Effective communication and engagement processes.
- Attraction, development and retention of a productive and effective workforce.
- Development of Shire's resources to provide optimum benefit to the community.

### **Cohesive and engaged community.**

- Develop a cohesive approach to community development across the Shire.
- Facilitate the development of healthy lifestyles through the provision of high quality sport, recreation, cultural and leisure services, facilities and activities.
- Provide services to youth, aged and the disadvantaged that address identified needs.
- Consult and engage with the local Aboriginal community.
- Support community safety and security initiatives.
- Provide connected and accessible towns.

### **Diversified and strengthened local economy.**

- Foster innovation, partnerships and investment from across sectors to support economic development and the attraction and retention of residents.
- Establish and strengthen partnerships with industry.
- Facilitate access to diverse housing and land development opportunities.
- Support the development of tourism in the region.

### **Effective management of infrastructure, heritage and the environment.**

- Foster excellence in urban and rural planning and development.
- Develop and maintain Shire buildings, facilities and infrastructure assets.
- Develop and maintain highly functional and attractive public open spaces.
- Conserve and enhance local heritage assets.
- Preserve the region's unique natural attributes through observing

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## President & Councillors



### **Shire of Coolgardie – Elected Members:**

Back Left to right – Cr Betty Logan, Cr Kathie Lindup, Cr Sherryl Botting, Cr Norm Karafilis

Front left to right – Deputy President Tracey Rathbone, Shire President Malcolm Cullen, Cr Kris Johnstone

## Management



### **Shire of Coolgardie – Management Team:**

Chief Executive Officer – Paul Webb, Manager Administration Services – Rhonda Evans,

Manager Development Services – Terry Sargent, Manager Recreation Services – Jill O’Brien

Manager Technical Services – Robert Connor, Manager Community Services – Sandra Donkin

# President's Report

Council has during the past twelve months worked diligently with our administration finding a way forward in working with local business, the community and find a sustainable model to maintain the community's assets. Engaging with local State Government departments has seen improvements in public safety both, within the immediate community and on our road networks. Social engagement has also been high on our 'to do' list, forging links with local sporting community groups.

Council has continued to engage and negotiate with mining and haulage companies to contribute funding for use of local road networks which will see continued improvement and upgrades to our roads in future years.

We have engaged with State Government agencies to reduce much of the antisocial behavior that had been occurring in our community for some years. This has seen our local member for Eyre Dr Graham Jacobs hosting several forums in the Shire to address many of the issues that we had been trying to resolve for some time. Council has also played a major role in alleviating and attracting doctors to Kambalda to fill the void after the departure of the previous doctors who had served the town very well over a Ten year period.

The Goldfields existence is based on the health of our local mining sector, and our Council has striven to forge links with local mining companies to grow our towns and promote the use of local workforce. Our towns need the space to grow, and it is unfortunate that the current State Government Departments are being obstructive in the endeavor which is harmful to our towns and mining interests in our area. Based on figures from the *Western Australian Minerals and Petroleum Statistics Digest 2012-13* (and retrospectively 2011-12), published by the Government of Western Australia Department of Mines and Petroleum, the Goldfields produce a massive 9% of the States mining wealth. In addition, the Shire of Coolgardie produced \$2,860,675,791 of mineral wealth for the region in the reporting year, a trend that appears to be increasing, and makes our Shire the biggest producer of wealth in our region, exceeded individually only by two regional shires in the Pilbara region, being the Shires of East Pilbara and Ashburton. It is important to recognise that our perceived declining trend, subject to market forces, should be a growing trend with management. Our ongoing target should be responsible stewardship, and steering our community into partnership with local mining and the State to promote sustainable growth. This will require continued liaison and support with our Local State Government Ministers.

The Shire aims to continue to negotiate with the Minister for Mines and Petroleum to enable us to further develop our light industrial area on Ladyloch Road and develop a truck parking area to cater for the increasing demand for a facility of this kind in Coolgardie. Council is aware of potential demand for rural land surrounding our town sites and is currently investigating options to progress suitable sites for possible development.

The Shire is continually engaging with the other eight Shire's in our Regional Council and the Goldfields - Esperance Development Commission in an endeavor to source funding for the projects that our Shire identified in the GEDC Strategic Plan.

Our officer's reports also indicate the achievements of our Shire as we continue to strive for improvement in all facets of our organization. Our external auditors have provided us with an astonishingly clean bill of health so we can be confident of the integrity of our team. We have also

demonstrated an increase in project output and a move toward responsible management of our communities assets. I wish to extend Councils thanks to our administration for their work for, and in some instances, in our communities.

I would also like to thank our past Councillors for their work in shaping our Community and wish them well on their future endeavors.

I would like to take this opportunity to thank my fellow Councillors for their support and assistance throughout the year by promoting our Shire, but also recognising the different needs and diversity of our communities the past year has provide to be quite challenging for both Councillors and staff with the continual compliance applied to all Local Governments by the State Government. In many instances this has increased the work load on out staff of fairly significantly which affects the operation of the whole organisation, however I believe that we as a Council have laid the foundation for a strong recovery during the coming years to build and strengthen our Shire for the future.

Cr Malcolm Cullen  
**Shire President**



# Chief Executive Officer's Report

The State Government has placed increasing emphasis on Local Government sustainability, and the ability of each Local Government to manage infrastructure into the future. This is primarily managed under the Local Government Act 1995, Section 5.56, that 'a local government is to plan for the future of the district', and 'A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district'. This requires significant planning and review of documentation, with each annual budget having backing of a longer term vision which Council need to consider for the regional and to demonstrate financial responsibility.

The Shire of Coolgardie Strategic Directions Plan 2012-2021, gives direction to the Administration of the Shire. Some of the salient components of the plan completed in the financial period are -

- Review and implement the Shire of Coolgardie's Five Year Forward Capital Works Plan 2010-11 to 2014-15
- Develop a grants application management process that identifies funding opportunities across all key Shire Outcomes and monitors progress of grant applications.
- Develop a specific activation strategy for the Kambalda and Coolgardie Recreation Centres.
- Transport Infrastructure Management Plan (ongoing)
- Complete relevant emergency management plans for fire and flooding.

The relevant component to the community in any annual period, is of course the Annual Budget. Some of the most prominent engineering projects have been -

- Continuance of the Kambalda Gabion Wall projects
- Coolgardie North Road Shoulder works
- Ladyloch Road Drainage project (Mines Contribution and Regional Road Group)
- Kambalda East West pedestrian link

Other, significant projects included

- Coolgardie park CCTV. Has seen vandalism in this area effectively eliminated.
- Pig Trailers for 8 wheel trucks to construction, cutting cartage times and costs.
- Standpipe tank. Cuts fill time and turnaround on Councils water truck.
- Swimming pool works, sealing and pump system improvement, Kambalda and Coolgardie

The year ended 30 June 2014 saw a net operating surplus of \$1,136,494. Unfortunately, \$814,816 of this surplus is made up of unpaid rates (carryover).

Reserves increased this financial period by \$899,871. Much of this is made of road/transport reserve contributions by local mining companies for road construction projects.

Paul Webb  
**Chief Executive Officer**





# Plan for the Future

All local governments are required to produce a Plan for the Future under Section 5.56 (1) of the Local Government Act 1995.

The minimum requirement to meet the intent of the plan for the future is the development of a Strategic Community Plan and a Corporate Business Plan.

These documents are available from Council's Web site at [www.coolgardie.wa.gov.au](http://www.coolgardie.wa.gov.au) . Select publications under the Council Tab.

## ***Community Strategic Plan 2012-2021***

This plan outlines the ten year vision and values of the Community. It sets out aspirations of the Shire and should be read in the context of the resourcing capabilities of the Shire. The document drives the development of other plans in the Integrated Planning Framework.

## ***Corporate Business Plan***

The plan details the services, operations and projects a Local Government will deliver in the current and forthcoming years. It also includes the processes for delivering these and the costs associated with them.

## ***Forward Capital Works Plan***

The Corporate Business Plan, together with the Strategic Plan sets the direction for the Shire. The Forward Capital Works Plan identifies projects and sets them out in a format that will enable Council and the Community to view their progress.

## ***Adopted Budget for the Year ended 30 June 2015***

Council's Budget is the working document used by staff on a daily basis to guide expenditure and validate income.

# The Year in Summary

## Activities and Projects

The year saw some new and some regular activities take place. These were funded, sponsored or organised by the Shire.

- Fun Run/Walk introduced
- Women's Expo
- Bike Race Coolgardie to Kambalda
- State League Basketball Game
- Coolgardie Day
- Kambalda Christmas Tree
- Seniors Christmas Lunch

Projects either undertaken or in progress at the end of the year include:

- Swimming Pool upgrades at both Coolgardie and Kambalda
- Completion of the East-West Link path
- Continuation of the Gabion Walls for Flood Mitigation in Kambalda
- CCTV in the Coolgardie Town Centre
- Ongoing refurbishment of the Coolgardie Railway Station
- Lighting of Tennis Courts
- 24 Hour Parking areas
- Resealing of Jobson Street
- Upgrade of the Ladyloch/Hunt Street intersection
- Upgrade of the Coolgardie Sewerage Scheme commenced

We also opened the Coolgardie Community Resource Centre in Recreation Centre.

## **Financial Summary**

The year ended 30 June 2014 resulted in a surplus of \$1,136,494. This result is made up of a combination of cash, monies owed to from outstanding rates and charges, and outstanding payments yet to be paid. This forms the Net Current Assets. Details of these accounts can be found in Note 23 of the following Financial Report.

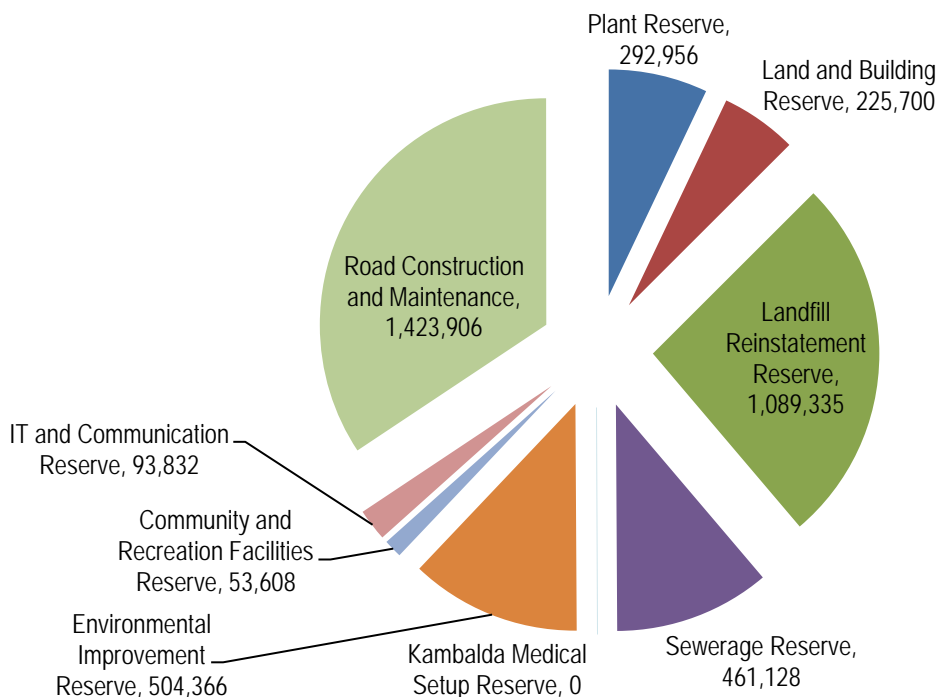
A provision for doubtful debt of \$1,318,806 is being carried to provide for the possible future write off for rates outstanding in Coolgardie Townsite where properly owners cannot be traced. These properties are on the outskirts of the town, have no services (roads, power or water). There have been no movement on their titles since the mid 1920's. The future of these properties is being addressed by Council.

Included in this surplus is an unspent loan of \$456,82 (for the refurbishment of the Coolgardie Post Office) and \$136,976 in unspent grants.

Full details of Council's financial status are contained in the Financial Report included in this document. The following is a selection of information to assist the interpretation of the Financial Report.

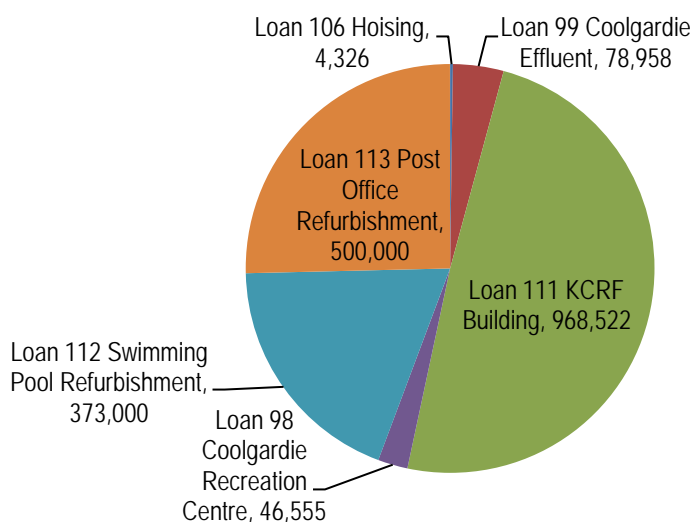
### Reserves

Council has Reserve Funds totalling \$4,144,831. These are funds which have been set aside for future expenditure. This is a way of saving for future projects. The Local Government Act requires that the specific purpose for the savings is defined at the time the funds are set aside. Refer to Note 12 of the Financial Statements. The following shows the break down of these funds by their purpose.



### Loans

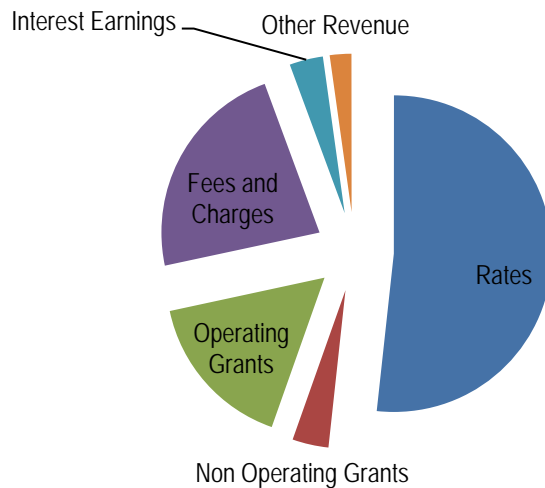
The Reserves held by Council are a method of saving funds for future expenditure. Another avenue for revenue to fund specific projects is by raising loans. At the 30 June 2014 the total outstanding on loans was \$2,009,053. This is reported in note 22 of the Financial Report. The graph will show the purpose and outstanding principal for each of our six loans. A seventh loan is paid by Goldfields Masonic Homes and was raised to fund Aged Housing in Coolgardie.



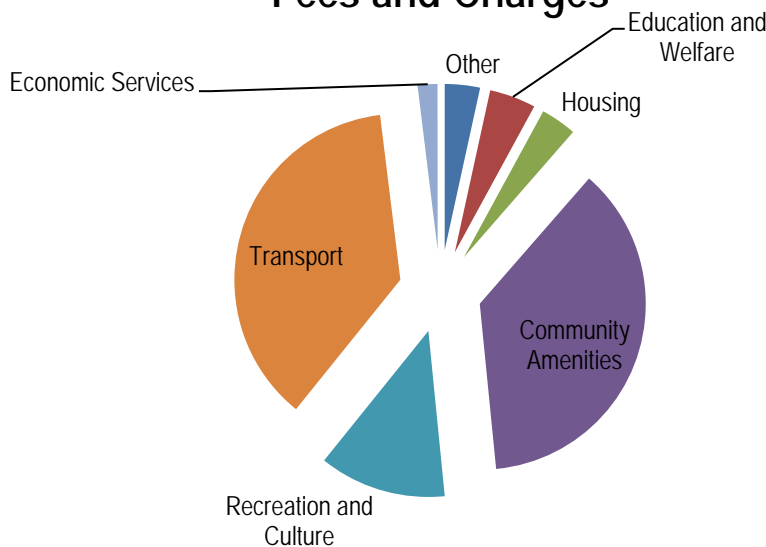
**Revenue**

Council is limited in its capacity to raise revenue. Revenue comes from rates, fees and charges and grants. The two charts that follow show the source of income for the 2013 - 2014 year, and the break down of fees and charges paid to Council and their purpose.

**Source of Revenue**



**Fees and Charges**



Included in the Community Amenities category are the charges for the sewerage system in Coolgardie, and the waste disposal sites at both Coolgardie and Kambalda. These funds together with the fees and charges from Transport are either used for the purpose it is raised, or transferred to the appropriate Reserve account for future costs. Income from these three areas cannot be reallocated to another use.







## Financial Ratios

The Annual Financial Report for the year ended 30 June 2014 had a set of financial ratios introduced last year. The trends have been extrapolated to provide an indication of past performance on these ratios, and the effect that striving to meet industry standards may have on future decisions and direction of Council.

It should be recognised that ratios are not everything, and that each Council should use judgement and look at circumstances. In making this comment, it should also be remembered that these ratios have been set to guide Council to good governance, ensuring the future viability of the shire.

Of the five ratios following, three meet the industry targets, and two do not. Of the two that do not meet the targets both are improving. Awareness and understanding of these ratios by both all stakeholders will be important as Council enters into its next phase of forward planning.

### Shire's Actual Ratios

Ratio	Basic Standard	2014	2013	2012	3 Year Trend <sup>2</sup>
Current Ratio	>=0.9	0.920	1.090	1.900	
Asset Sustainability	>=0.9	0.680	0.560	0.520	
Debt Service Cover	>=2	6.490	1.720	7.520	
Operating Surplus	>=0.15	(0.209)	(0.472)	(0.156)	
Own Source Revenue Coverage	>=0.6	0.744	0.591	0.744	
Asset Consumption	>=0.75	0.674	0.650	N/A	
Asset Renewal Funding	>=1.05	N/A	N/A	N/A	N/A

Above Target	Within acceptable banding	Below Acceptable Banding
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<sup>1</sup> Target ratios per Department of Local Government and Communities (DLGC) Guidelines for Basic standard.

<sup>2</sup>The 3 year trend compares the 2014 ratio to the average of the last 3 years (except for the Asset Consumption and Asset Renewal Funding Ratios which are the 2 year trend).

The Year in Summary (continued)

Financial Ratios (continued)

Current Ratio continues to within the industry benchmark of  $\geq 0.9$ . This is calculated by dividing current unrestricted assets by current unrestricted liabilities.

A ratio of less than 1 means that means that the Council does not have sufficient cash to meet its immediate cash commitments. We have now reached this point. The first avenue to improve this is to reduce outstanding rates. The collection of rates remains one of the Shire's significant risk factors. The onus of responsibility of rating contribution is incumbent on all property owners. More active pursuit of outstanding rates will be undertaken.

2011	3.21
2012	1.90
2013	1.09
2014	0.92

Operating Surplus Ratio measures Council's financial sustainability having regard to asset management and the community's service level needs. A negative ratio indicates the local government is experiencing an operating deficit. A sustained period of deficits will erode Council's ability to maintain both its operational service level and asset base over the longer term.

The target for this ratio is a positive between .01 and 0.15 for the basic standard, and greater than 0.15 for the advanced standard.

This is possibly our most concerning ratio, as it indicates that we are providing a level of service in excess of our rating strategy. As with the Own Source Revenue Coverage Ratio (below) a review of both rating strategy and service levels needs to be conducted.

2011	(0.07)
2012	(0.16)
2013	(0.47)
2014	(0.21)

Debt Service Cover Ratio measures Council's ability to service debt out of its uncommitted or general purpose funds. The DLGC guideline for the basic standard is  $\geq 2$  and the advanced standard is 5. Council's Auditors UHY Haines Norton recommend a target of 15.

This ratio is the measurement of a local government's ability to repay its debt including lease payments. The higher the ratio is, the easier it is for a local government to obtain a loan.

2011	8.75
2012	7.52
2013	1.72
2014	6.49

## The Year in Summary (continued)

### Financial Ratios (continued)

Asset Sustainability Ratio (ACR) measures the extent to which assets are being renewed/replaced compared to the amount consumed (depreciation). A ratio of less than .90 indicates the Council is having difficulty undertaking a sustained capital investment program sufficient to renew/replace assets while also negating the effect of inflation on purchasing power over time.

This ratio will not improve until either capital grants become more readily available (an unlikely event), or the operating surplus ratio improves to provide funds for the renewal of assets.

The ACR for the year suggests the Council is replacing or renewing its existing assets at about the same rate they are wearing out. Notwithstanding this, the Council should consider reviewing the Shire's Long Term Capital Investment program to help ensure asset renewal is maintained at an appropriate level with sufficient funding support in the future.

2011	0.35
2012	0.52
2013	0.56
2014	0.68

Own Source Revenue Coverage Ratio measures the Shire's ability to cover operating expenses from its own source revenue given current levels of operating expenses. A basic standard is achieved if the ratio is between 0.4 and 0.6, and advanced standard is greater than 0.9. These different standards have been established to recognise the varying revenue raising capacities across the sector.

Council can improve this ratio by either increasing rates, fees and charges or reducing operating expenses. We are currently pursuing options to rate non mining infrastructure on mining leases, and a review of rating strategies will be addressed in the forthcoming year.

Mining Road Contributions for the Shire of Coolgardie are excluded from this figure, as they are contributions for a specific purpose which is managed separately from ordinary operating.

2011	0.83
2012	0.74
2013	0.58
2014	0.74

Whilst a number of these ratios are below the DLGC basic standards, the strength of other ratios and the Shire's Balance Sheet, lower ratios can be accepted in the short term provided other strategies are maximised. Both Council and Management will need to consider ways to improve the operating position. This may be done either by increasing own source revenue, or by decreasing operating expenditure (or a combination of both).

# Record Keeping Plan

## REPORT ON THE STATE RECORDS ACT (2000)

In accordance with the provisions of the state Records Act 2000, the Shire of Coolgardie has a Record Keeping Plan in place.

The Record Keeping Plan provides a description of current record keeping practices and focuses on the following six principles:

1. Proper and Adequate Records
  2. Policies and Procedures
  3. Language Control
  4. Preservation
  5. Retention and Disposal
  6. Compliance
- A review of the Record Keeping Plan was completed. . This was adopted by Council.
  - The introductions of Keywords for Councils and Synergy soft Records Module have been completed.

# Official Conduct

## REPORT ON FREEDOM OF INFORMATION

In accordance with the requirements of section 96 of the Freedom of Information Act 1992 (FOI), the Shire of Coolgardie is required to publish an annual Freedom of Information Statement.

**This statement advises that in the 2013-2014 reporting year two FOI applications were received by the Shire of Coolgardie. The Statistical Return for 2014 (88734) was submitted on 2 July 2014. This return can be viewed that the Administration Office in Kambalda, or the Recreation Centre in Coolgardie. The reference is NFN2057.**

## REPORT ON OFFICIAL CONDUCT – COMPLAINTS REGISTER

Pursuant to Section 4.121 of the Local Government Act 1995, a complaints register has been maintained. As at 30 June 2014, One complaint was recorded. The complaint was not a matter within the scope the Shire's authority and did not proceed.



# Disability Service Plan

## REPORT ON DISABILITY SERVICE PLAN

The Disability Service Act ensures that people with disabilities have the same opportunities as other members of the community. Council aims to progressively improve access to facilities for people with disabilities over time.

**Council continues to upgrade facilities to improve access for disabled persons as part of an ongoing program.**

# Payment to Employees

## Report on Employees Remuneration

Set out in bands of \$10,000 is the number of employees of the Shire entitled to an annual Salary of \$100,000 or more

Salary Range	2014	2013	2012	2011
\$100,000 to \$110,00	2	1	0	0
\$140,000 to \$150,000	1	1	1	1

## REPORT ON EMPLOYEE NUMBERS

	2014	2013	2012	2011
The number of full-time equivalent employees at balance date	59	58	58	50